



Macro & Financial

Monetary Policy Committee of The People's Bank of China Convenes first-quarter regular meeting

Market News

Monetary Policy Committee of The People's Bank of China (PBC) convened 2016 first quarter regular meeting in Beijing. The meeting emphasized the new trends in economic and financial sectors both domestic and abroad. It also underlined the change of international capital flow. Given this background, the meeting stressed that the PBC should make progress while ensuring stability, adapt to the new normal of economic development, and continue to implement prudential monetary policy. The meeting pointed out that PBC should maintain the balance of monetary policy and flexibly use monetary policy tools to maintain appropriate liquidity and achieve reasonable increase in monetary credit and social financing. The meeting also mentioned to optimize financing structure and credit structure, raise the proportion of direct financing, and lower social financing cost. Moreover, the meeting required to deepen financial system reform, strengthen supply-side structural reform, improve financial operation's efficiency and its capability to serve the real economy, enhance risk management. The last but not the least, the meeting requires to further promote the reforms of interest rate liberalization and RMB exchange rate forming mechanism, so as to maintain the basic stability of RMB exchange rate at a reasonable and balanced level.

[PBC News](#)(Currently Only Available in Chinese)

Statistics

RMB Exchange Rate Indices Showed Moderate Depreciation in March 2016

On March 31, 2016, the CFETS RMB exchange rate index closed at 98.14, losing 1.50 percent from the end of February; the RMB exchange rate index based on the BIS basket and RMB exchange rate index based on the SDR basket closed at 99.08 and 97.61 respectively, losing 1.96% and losing 0.63% from the end of February. Generally, all three indices depreciated slightly from the end of February, mainly caused by subdued global economic recovery and seasonal factors leading to relatively weak trade data of China in February, US dollar's depreciation against other currencies, and China's CPI year-on-year (YoY) growth rebounding in last two months. Taking the price factor into consideration, RMB's real effective exchange rate still showed moderate appreciation. Together, RMB exchange rate remained

Regulatory Developments

generally stable against a basket of currencies in March 2016.

[PBC News](#)(Currently Available in English)

CSRC Abolishes Four Administrative Approval Items and Seven Administrative Approval Intermediary Service Items

According to the relevant decisions of Standing Committee of the National People's Congress (NPCSC) and the State Council, China Securities Regulatory Commission (CSRC) issued an announcement on abolishing four administrative approval items and seven administrative approval intermediary service items.

The removed four administrative approval items refer to: “approval for appointment or reassignment of legal representative of public fund manager, major principals of operating management, and principal of compliance supervision”; “approval for major cooperation programs between securities exchanges and overseas institutions, major international cooperation and exchange activities of securities registration and settlement institutions, major issues related to Hong Kong, Macau and Taiwan”; “approval for representative offices of overseas bourses in China”; and “approval for qualification of other futures operating institutions to carry out futures investment consultation business”.

The seven abolished administrative approval intermediary service items refer to: “providing auditing report for sponsor institution”; “providing legal opinion for the establishment of public fund management company and qualification of public fund manager”; “providing legal opinion for qualification of fund custodian”; “providing legal opinion for major changes of public fund management company”; “providing legal opinion for registration of fund service institutions”; “provision providing of legal opinion for change of business scope change, increase of registered capital increase with major adjustment of equity structure, reduction of registered capital reduction, change of stockholders with more than 5% of the stock equity, change of actual controller, and change of major provisions of the articles of association, merger and separation of securities companies”; and “providing assets appraisal report for the merger of securities companies”

[CSRC News](#)(Currently Available in Chinese)

Disclaimer: NAFMII does not guarantee the accuracy of the information contained in the newsletter. Materials and data provided here are intended for general informational purposes only, and are not intended to provide specific investing, tax, business or legal advice to any individual or entity. Certain contents of this newsletter are copyrighted by NAFMII. You agree that information provided on this newsletter will be used solely for your own personal, noncommercial use and benefit, and this information is not to be distributed, sold, transferred or otherwise made available to third parties. You may not copy, recompile or create derivative works from the information provided on this newsletter. Readers are urged to consult with their own advisors before taking action based on any information appearing on this newsletter.