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NAFMII Publishes Summary Report on Lead Underwriters' post issuance Management of Debt Financing Instruments

The lead underwriters reviewed their post issuance management work in 2013 (reporting period: September 1, 2013 to April 30, 2014), and submitted the summary reports to NAFMII, pursuant to the Guidelines to the pursuant Management Work for Lead Underwriters of Non-financial Enterprise Debt Financing Instruments in the Interbank Bond Market (Post Issuance Management Guidelines) and other self-regulatory provisions.

As far as concrete business is concerned, the lead underwriters helped 1,540 issuers complete the process of repayment of principals and interests for 2,032 debt financing instruments, totaling RMB1,991,449 million; kept tracking the enterprises in duration to conduct information disclosures, uniformly standardized the disclosure format and contents of the annual reports of enterprises pursuant to the PC Statement in the Duration Information Disclosure Statement System , and supervised 990 issuers in completing 2,522 irregular information disclosures, 1,115 times more than the previous year. As far as risk identification is concerned, the lead underwriters strengthened risk identification in scope and density, conducting regular risk identification on 649 issuers, 38.1% of the total issuers, and paid greater attention to some industries with overcapacity, especially private enterprises and small and medium enterprises. Besides, 15 lead underwriters participated in the special self-inspection organized by NAFMII relating to the repayment fund arrangements of small and medium private enterprises, and some lead underwriters conducted independent risk identification with clearly-defined themes and in various forms. As far as stress testing is concerned, the lead underwriters improved their work significantly compared to the prior period, with compliance status and reporting quality being enhanced to some extent, as well as analysis of risk factors, setting of testing indicators, arrangement of testing procedures and determination of response actions becoming more rational. As far as emergency management is concerned, the lead underwriters basically conducted emergency management pursuant to relevant provisions. During the reporting period, the lead underwriters

held 40 holders' meetings, involving 66 debts, a significant increase in the number of meetings held compared to last year. Topics mainly focused on asset restructuring of state-owned enterprises, and the meeting paid more attention to the soundness of the procedure, but weakened the effectiveness of the holding and resolutions to some extent.

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Regulatory Developments

PBC Publishes Statistical Report on Social Financing Scale in May 2014

Preliminary data show the social financing scale came at RMB1.40 trillion in May 2014, a decrease of RMB145.4 billion from the prior month but an increase of RMB217.4 billion year on year. Specifically, RMB loans increased by RMB870.8 billion, with an increment of RMB201.4 billion; foreign currency loans (converted into Renminbi) dropped by RMB16.2 billion, with increment dropping by RMB51.9 billion; entrusted loans increased by RMB206.3 billion, with an increment of RMB9.6 billion; trust loans rose by RMB11.6 billion, with the increment declining by RMB85.5 billion; undiscounted bank's acceptance drafts dropped by RMB9.6 billion, with decrease dropping by RMB104.5 billion; the net financing amount of corporate bonds came at RMB279.7 billion, with an increment of RMB56.7 billion year on year, while domestic equity financing amount of non-financial enterprises arrived at RMB14 billion, with a decrease of RMB9.1 billion year on year. In January-May, 2014, the social financing scale reached RMB8.58 trillion, representing a decrease of RMB532.9 billion compared to the same period of the previous year.

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

CSRC Publishes the Opinions on Vigorously Promoting Innovative Development of the Securities Investment Fund Industry

CSRC recently issued the Opinions on Vigorously Promoting Innovative Development of the Securities Investment Fund Industry (the Opinions), setting forth the overall principles, major tasks and concrete moves relating to the innovative development of the fund industry for a period of time in the future.

The Opinions define the major tasks and concrete moves to propel the innovative development of the fund industry. First is to accelerate the pace to establish modern asset management institutions. Second is to support business and product innovation. Third is to push forward transformation of supervision.

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