

**Regulatory  
Developments**

**China Securities Regulatory Commission solicits public opinions on "The Guidelines of China Securities Regulatory Commission on the Pilot of Innovation & Entrepreneurship Bonds(draft for public comment)"**

Recently, China Securities Regulatory Commission (CSRC) started to solicit public opinions on "The Guidelines of China Securities Regulatory Commission on the Pilot of Innovation & Entrepreneurship Bonds (draft for public comment)".

In July 2016, CSRC set up a cross-department special working group for piloting innovation & entrepreneurship bond to coordinate and facilitate the pilot program. CSRC formulated the Guidelines following intensive and extensive research and promotional efforts to clarify the following main issues: First, the innovation & entrepreneurship bond is a sub-category of corporate bonds, which complies with "Securities Law of the People's Republic of China", "Company Law of the People's Republic of China", "Administrative measures for Issuance and Trading of Corporate Bonds" and other relevant laws and regulations; Second, the issuers include innovative and start-up companies as well as corporation venture capital funds and venture capital enterprises that raise funds to specifically invest in innovative and start-up companies; Third, CSRC and self-regulatory organizations in the securities sector will establish a supporting mechanism for innovation & entrepreneurship bonds, including special audit, fast track and unified logo; Fourth, private placement innovation & entrepreneurship bond is allowed to set conversion terms so as to meet diversified investment requirements. The innovation & entrepreneurship bond with conversion terms shall comply with CSRC's relevant provisions. After the bond holders exercise their right for bond-to-stock conversion, the number of shareholders shall not exceed 200; Fifth, the work of securities companies for underwriting innovation & entrepreneurship bonds will be deemed as an important factor in evaluating the social responsibility of securities companies; Sixth, relevant departments and local governments are encouraged to provide policy support through many ways and include innovation & entrepreneurship bonds into local financial and taxation support systems.

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

**Macro & Financial**

**The insurance industry grew steadily at a relatively faster pace in the 1Q, 2017, with risk prevention and control capabilities enhanced**

In the first quarter of 2017, the entire industry saw an original insurance premium

## Market News

income of RMB 1,586.602 billion, a year-on-year increase of 32.45%. Among them, year-on-year increases of property insurance premium income and life insurance premium income were 12.69% and 37.24%, respectively; the compensation expenses were RMB 330.501 billion, a year-on-year increase of 14.31%; the assets of the insurance industry totaled RMB 16.18 trillion, up 7.04% from the beginning of this year. Specifically, the market saw the following characteristics: First, business maintained relatively rapid growth, but the growth rate slowed down. Second, the industry adhered to the principle of focusing on insurance service instead of on income and business structure got optimized. Third, continued adjustments were made to the ratio for application of funds, and investment income saw steady growth. Fourth, the effect of benefiting the people was significant and the role of the industry as "stabilizer" was further enhanced. Fifth, innovative internet businesses got more active, and emerging businesses achieved rapid growth.

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

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