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NAFMII Issues Rules on Trial CRMI in Interbank Market and Supportive Documents

Under the guidance of the PBC, NAFMII issued the revised Rules on Trial Credit Risk Mitigation Instruments (CRMI) in the Interbank Market on September 23, 2016, along with four guidebooks that specified the management requirements on specific products, namely CRM Contract, CRM Warrant, Credit Default Swap (CDS) and Credit Linked Note (CLN). Two new products were released this time, namely the CDS and CLN; broader market access was provided on the premise of keeping risks under control; procedures were streamlined while qualification requirements on warrant products were maintained; and the overall framework was adjusted, whereby an overarching umbrella for CRMI management comprised of general rules and sub-guidebooks was established.

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

Macro & Financial

NBC to Issue RMB Bonds in China's Interbank Bond Market

Market News

The National Bank of Canada (NBC) was lately approved to issue RMB bonds in China's interbank bond market for no more than RMB 5 billion. NBC's issuance of financial bonds in China will further promote the financial cooperation and economic and trade relation between the two countries and give a positive impetus to the opening-up of Chinese bond market

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

Shanghai Clearing House launches counter bond business at FTZ and has first transaction

The Shanghai Clearing House officially launched the counter bond business at the Free Trade Zone on September 23, 2016, providing a new option of asset allocation for domestic and overseas investors.

As the first administering bank undertaking this business, Bank of China will, according to the quota approved by PBC, transfer its existing bonds in the interbank market to the FTZ and sell them through its FTZ counters and websites. On September 23, Bank of China concluded the first counter bond business in the FTZ with the subject being a super & short-term commercial paper (SCP).

Counter bond business is an important part of cross-border RMB bond business in

the FTZ. Administering organizations that have been registered can, at their FTZ counters, sell RMB bonds to investors either in the FTZ or from overseas that have opened counter bond accounts in the FTZ, and provide market making and level-2 custodian services.

[Shanghai Clearing House News](#)(Currently Only Available in Chinese)

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