

News from the International Capital Market Association (ICMA)

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For Immediate Release

ICMA-NAFMII Working Group issues report on practices and procedures in the Chinese and international primary debt capital markets

The ICMA-NAFMII Working Group, which brings together experts from financial institutions in China and the UK to share expertise on processes, practices, and the associated market infrastructure in debt capital markets, has issued its first report: 'Practices and procedures in the Chinese and international primary debt capital markets'. The report is issued today as Vice-Premier Ma Kai and Chancellor of the Exchequer George Osborne meet in Beijing as part of the 7th UK-China Economic and Financial Dialogue.

In the 2014 6th UK-China Economic and Financial Dialogue, Vice-Premier Ma Kai and Chancellor of the Exchequer George Osborne agreed that further cooperation between UK and Chinese financial market participants would benefit the development of capital markets, and welcomed the creation of a private sector working group chaired by the International Capital Market Association (**ICMA**) and the National Association of Financial Market Institutional Investors of China (**NAFMII**).

ICMA Chief Executive Martin Scheck said: "As debt capital markets become increasingly globalised, mutual understanding of how China's interbank bond market and the international markets operate at a technical level is vital, a fact recognised by the UK-China Financial Dialogue. This report is an important further step towards achieving this. It is the result of productive co-operation and information exchange between international and Chinese bond market experts participating in a joint ICMA-NAFMII working group, formed as a result of the 2014 intergovernmental UK-China Economic and Financial Dialogue."

This first report by the working group is intended to give policymakers and market practitioners a useful outline of the way in which bonds are sold through the primary capital markets in both the cross-border international debt market and the onshore Chinese interbank bond market.

The analysis in this report covers bond issuances in two significant market segments:

- the international investment grade public markets (with their prevailing European-style bookbuilt syndications except where otherwise stated) ; and
- the Chinese onshore interbank market, which is China's over-the-counter market, and accounts for more than 90% of the total onshore market by new issuance and trading volume. This report does not attempt to cover the full range of bonds and other debt securities issued in markets across the globe. In particular, this report does not cover purely local bond markets, and does not cover international bonds issued to investors in the United States.

The ICMA-NAFMII working group will continue to explore ways in which common market practices can help to make the debt markets more efficient, resilient, and well-governed. ICMA and NAFMII welcome further input to inform its continued work and improve practices internationally.

Copies of the report are available from the [ICMA website](#).

International Capital Market Association (ICMA)

ICMA is the trade association for the international capital market with almost 500 member firms from 57 countries, including banks, issuers, asset managers, infrastructure providers and law firms. It performs a crucial central role in the market by providing industry-driven standards and recommendations for issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market www.icmagroup.org

NAFMII

National Association of Financial Market Institutional Investors (NAFMII) was founded on September 3, 2007, under the approval of the State Council of China. NAFMII aims to propel the development of China OTC financial market, which is composed of interbank bond market, inter-bank lending market, foreign exchange market, commercial paper market and gold market.

As a self-regulation organization (SRO) in China, the membership of NAFMII includes policy banks, commercial banks, credit cooperative banks, insurance companies, securities houses, fund management companies, trust and investment companies, finance companies affiliated with corporations, credit rating agencies, accounting firms and companies in non-financial sectors www.nafmii.org.cn

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