



NAFMII Related

NAFMII launched market assessment of Class A lead underwriting business of its underwriter members

In order to optimize the structure of underwriters and propel sound and orderly development of interbank market, NAFMII recently launched market assessment of Class A (national banks) lead underwriting business of its underwriter members. NAFMII will appraise the participating members based on *the Market Assessment Rules of NAFMII on Underwriter Members of Non-Financial Enterprises Debt Financing Instrument*. ([NAFMII](#))

Regulatory Developments

Registration system of credit asset securitization launched

Recently, PBC announced that trustees and issuers, which have obtained related qualification from the regulators and have issued credit asset-backed securities and are able to disclose information required, can apply for registration from PBC and issue credit asset-backed securities within the validity period of registration. This announcement marks the official launch of the registration system of credit asset securitization. This move will simplify the management process for issuing credit asset-backed securities, improve management efficiency and transparency of issuance, and drive trustees and issuers to improve the quality of information disclosure, so as to substantively protect the legal rights and interests of investors and propel sound development of credit asset securitization. ([PBC](#))

Settlement of foreign exchange capital at the discretion of enterprises

The State Administration of Foreign Exchange (SAFE) recently issued "Notice of SAFE on Reforming Settlement Management Method of Foreign Exchange Capital of Foreign-invested Enterprises", specifying that the settlement method of foreign exchange capital of foreign-invested enterprises be transformed from "settlement upon payment" to "settlement at will". In other words, foreign-invested enterprises can handle settlement at banks according to their actual operating needs. The Notice also specifies that banks should assume the obligation of authenticity check, and SAFE will strengthen administration during and after the settlement, especially subsequent supervision and non-conformity examination and discipline. ([SAFE](#))

Macroeconomic

First case of public bond default of Chinese bond market

On April 7, Cloud Live Tech Group officially published default of corporate bond, announcing the interest payment date of the corporate bond issued by X. E. Flavor in 2012 and the arrival date of paying back are April 7, 2015. To date, the Company has received RMB160 million to pay the debt through financial aid from major shareholders, disposal of assets and collection of account receivables, but there is still a gap of 240 million RMB. Therefore, it is impossible for the Group to

raise sufficient fund to pay the due interest payable and principal of the bond in a timely manner leading to material default to the current-term bond. It becomes the first case of public debt default in China. (www.yicai.com)

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