

NAFMII News

Latest NAFMII Data as of July 5, 2013

- The newly issued non-financial enterprises debt financing instruments through NAFMII in 2013 reached 1.60 trillion yuan (private placement product reached 327.6 billion yuan), accounting for 80.7% of the total volume of corporate bonds issued this year; the accumulated issuance volume of the instruments reached 9.9 trillion yuan, accounting for 72.5% of the accumulated volume of corporate bonds; the outstanding volume of the debt financing instruments amounted to 5.1 trillion yuan, accounting for 59.5% of the total corporate bonds outstanding.
- 3866 market participants had joined NAFMII membership, including 187 banking institutions like policy banks, commercial banks and credit unions; 182 non-bank financial institutions like securities, insurance and finance companies; 7 financial intermediaries; 688 intermediaries like rating agencies, accounting firms and law firms; 2791 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 571 institutions (including 422 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,167 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 70 market institutions signed the Master Agreement on Bond Repurchase Transactions; 54 market institutions signed the Master Agreement on Loan Transfer; 21 market institutions signed the Master Agreement (Warranty); 57 institutions registered for Forward Rate Agreement (FRA) qualification and 101 institutions registered for Interest Rate Swap (IRS) qualification; and there were 45 Credit Risk Mitigation (CRM) traders, 26 core traders and 29 CRMW creation institutions.

Regulatory Developments

PBC Releases Further Regulations on Interbank Bond Transactions

To standardize the transaction settlement behaviors on interbank bond market, on July 2nd, 2013, the People's Bank of China (PBC) released Announcement [2013] No. 8, effective as of the date of release. According to the Announcement, bond transactions among market participants shall be concluded through the trading system of National Interbank Funding Center (also known as CFETS). Once a bond

transaction is concluded, it shall be irrevocable and unalterable. The bond transactions stated in the Announcement include spot trading, pledge-style bond repurchase, buyout bond repurchase, bond forward and bond lending, etc. In case of deduction, inheritance, repayment, donation and other non-transaction transfer, the custody and settlement institutions-Central National Debts Registration and Settlement Limited Company and the Shanghai Clearing House (SCH) are forbidden to manage clearing and settlement services for transactions which failed the approval of CFETS.

[PBC News](#) (Currently only available in Chinese)

PBC Taps into Bankcard Acquiring Services

On July 5th, 2013, the People's Bank of China (PBC) promulgated the Administrative Measures on Bank Card Acquiring Business (the "Measures"), effective as of the date of promulgation. By clearly identifying the definition and application scope of bankcard acquiring services, verifying merchant authorization, monitoring bankcard-related transactions, standardizing risk management in the process of examination of qualification of merchants by acquiring institutions, business inspection, transaction monitoring, information safety, fund settlement and other processes and making strict regulatory requirements, PBC is going to tap into the possible loopholes in the bankcard acquiring service comprehensively. In the meantime, the implementation will bring both traditional and online acquiring services into regulation.

[PBC News](#) (Currently only available in Chinese)

PBC Simplifies RMB Cross-border Trade

On July 10th, the People's Bank of China (PBC) promulgated the Announcement of Simplifying management of Renminbi (RMB) Cross-border Trade. Effective measures are formulated in four respects to shortcut the process of RMB cross-border trade transactions. PBC will ease strict rules to facilitate RMB payments by allowing certain companies to invoice and settle cross-border trades in RMB without providing documentation for pre-trade verification. Other aspects include simplifying Renminbi settlement of cross-border trade transactions and allowing capital flows issued by non-financial institutions in and out of China.

[PBC News](#) (Currently only available in Chinese)

CSRC solicit opinions on revising the *Provision of the System of Stock Index Futures Investors' Appropriateness (trial)* from the public

CSRC released *Decision on Revising the Provisions of the System of Stock Index Futures Investors' Appropriateness (trial)* to solicit public opinions. The revising content include: extend the application range of the Provision to the whole financial future area; change "stock index futures" mentioned in related articles into "financial futures"; further clarify the core value of investors appropriateness "sale the products to their appropriate investors" in the Provision.

[CSRC News](#)(Currently only available in Chinese)

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