

NAFMII Related

Announcement on the Release of the Registration and Evaluation Results for Domestic Credit Rating Agencies in the Inter-bank Bond Market

NAFMII announced on May 10, 2018 to start the registration and evaluation of credit rating agencies in the inter-bank bond market in accordance with relevant regulations including PBoC Announcement [No.7 Document 2017] and Rules for Registration and Evaluation of Credit Rating Agencies in Inter-bank Bond Market. The NAFMII Secretariat organized investment institutions and professional committees to evaluate the applicant institutions and work out the evaluation results. Passed by the Eleventh Meeting Session of the Fifth Governing Council Meeting of NAFMII, filed with and approved by PBoC, NAFMII has accepted the registration of CSCI Pengyuan Credit Rating Co., Ltd. To conduct Class A credit rating business in the inter-bank bond market, with business scope covering all types of credit rating services, such as bonds of financial institutions, debt financing instruments of non-financial enterprises, structured products and panda bonds; NAFMII has accepted the registration of Fareast Credit Rating Co., Ltd. to conduct Class B credit rating business in the inter-bank bond market, with business scope covering credit rating of bonds of financial institutions in the inter-bank bond market.

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Regulatory Developments

CSRC and Seven Central Government Agencies Issue Opinions on Enhancing Information Sharing and Credit Punishment in the Pilot Registration-based IPO System

Recently, China Securities Regulatory Commission (CSRC), National Development and Reform Commission (NDRC), People's Bank of China (PBoC), State-owned Assets Supervision and Administration Commission of the State Council (SASAC), State Administration for Market Regulation (SAMR), China Banking and Insurance Regulatory Commission (CBIRC), Civil Aviation Administration of China (CAAC) and China State Railway Group jointly issued the Opinions on Enhancing Supervision over Market Players, Improving Information Sharing and Optimizing Joint Credit Punishment Mechanism in Pilot Registration-based IPO System in Science and Technology Innovation Board (Opinions).

Aimed to enhance information sharing among relevant ministries and joint credit punishment, the Opinions specifies four working mechanisms: First, it requires inquiring the inter-ministerial regulatory information needed for listing review, issuance and registration in the sci-tech innovation board. Based on the credit information system developed by NDRC, PBoC, SAMR and other organizations, CSRC and Shanghai Stock Exchange (SSE) obtain the credit information, credit reporting information and public information of issuers, listing companies, intermediaries and relevant personnel. Second, it requires strengthening discredit information transmission. It means timely conveying such discredit information as administrative punishment, prohibition from access to securities market, supervision measures, disciplinary punishment and criminal file to NDRC, PBoC, SAMR and other authorities in the pilot registration-based IPO

system of the sci-tech innovation board, so that they include such information into their credit (credit reporting) information platforms. Third, when CSRC and SSE discover an issuer, a listing company and its relevant personnel have discredited records in another sector as they review the registration in the sci-tech innovation board, they will take it as an important reference for performing registration duties. Fourth, NDRC, PBoC, SAMR, SASAC, CBIRC, CAAC, China State Railway Group, among other authorities implement eleven credit punishment measures according to relevant laws and regulations against relevant people that obtain IPO registration by cheating, violate laws about information disclosure, and violate regulations related to sponsor system or securities service in the pilot registration-based IPO system.

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