

**Regulatory  
Developments**

**Second Group of Foreign Central Banks and Similar Institutions Entering the Chinese Inter-bank Foreign Exchange (FX) Market**

January 12th 2016, the second group of foreign central banks and similar institutions completed registration with the China Foreign Exchange Trading System (CFETS), and officially gained access to the Chinese inter-bank foreign exchange (FX) market. This will contribute to greater openness of the Chinese foreign exchange market.

The second group of foreign central banks and similar institutions included the Reserve Bank of India, the Bank of Korea, the Monetary Authority of Singapore, the Bank Indonesia, the Bank of Thailand, the Bank for International Settlement, and the International Finance Corporation. The above-mentioned foreign central banks and similar institutions chose on their own one or more channels from the three options, including directly participating in the inter-bank FX market as foreign members, using inter-bank FX market members as their agent(s), and entrusting the PBC as their agent, to conduct RMB and foreign exchange trading of one or more traded FX products including spots, forwards, swaps and options. By now, there are in total 14 foreign central banks and similar institutions completed registrations, and officially entered the Chinese inter-bank foreign exchange market.

[PBC News](#)(Currently Available in English)

**PBC Promote Credit-asset Pledged Relending**

As of October 2015, the People's Bank of China (PBC) started to promote the credit-asset pledged relending pilot program in 11 provinces and municipalities, including Shanghai and Jiangsu. In 2015, the PBC completed the internal rating on 3,022 qualified loan enterprises among local corporate financial institutions and proceed smoothly, encompassed the qualified credit assets into the scope of acceptable, eligible collaterals for the central bank to make relending. This helps address relatively shortage of high-grade bond collaterals of local corporate financial institutions, and facilitates the central bank to provide liquidity support for local corporate financial institutions.

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

**CBRC Solicits Public Opinions for the Guidelines on Internal Audit of Commercial Banks (Exposure Draft)**

In order to further improve the independence and effectiveness of internal audit,

China Banking Regulatory Commission (CBRC) solicited public opinions for the Guidelines on Internal Audit of Commercial Banks (Exposure Draft) on January 14, and it will revise and optimize the Guidelines according to the opinions. Main amendments to the Guidelines include reinforcing the independence of internal audit, improving the organizational structure of internal audit, raising requirements for banks to formulate regulations on internal audit, specifying the work flow of internal audit, regulating audit outsourcing, defining the supervision and assessment mechanism, and differentiating bank groups from township and village banks, etc.

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

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