

**Macro & Financial**

**Market News**

**CSRC, SFC hold 7th working meeting on law enforcement cooperation**

The CSRC and SFC recently held the 7th working meeting on law enforcement cooperation. This was a working arrangement made by the mainland and Hong Kong regulators to further strengthen the cross-border law enforcement cooperation with the aim to effectively maintain market order and safeguard the legitimate rights and interests of the investors.

It was pointed out at the meeting that more cases of false statements by listed companies in the mainland and Hong Kong and more market manipulation behaviors using the mainland-Hong Kong stock market connect program have emerged in recent years. Entities that violate the laws and regulations are more clandestine, approaches more complicated and the damages of their behaviors more extensive, posing greater challenges to law enforcement. Strengthening the coordination between the mainland and Hong Kong in securities and futures law enforcement is an imperative step to crack down on cross-border violations and an important guarantee for promoting the reform, opening-up and development of the Chinese capital market. According to the general situation of cross-border law enforcement coordination between the two regions, the type of cases and their regional distribution are quite concentrated, the number of cross-border market manipulation cases increases and the coordination on major cases is getting more efficient.

In view of prominent problems in cross-border law enforcement coordination, the meeting discussed specific measures to improve the working mechanism. (1) Detail the coordination mechanism to cement the institutional foundation for jointly striking cross-border misfeasance. (2) Innovate cooperation mode. For major cross-border illegal activities, joint investigation should be initiated in time so that the mainland and Hong Kong regulators can complement each other with respective strength. (3) Improve the coordination approach. Further optimize the working mechanism for important coordination matters involving multiple departments, and keep improving the coordination efficiency. (4) Improve supporting arrangements, step up regular contact mechanism and the internship, training and communication of law enforcement personnel, and enhance law enforcement exchanges in depth and breadth.

[\(CSRC News\)](#) (Currently Available in Chinese)

**PBC to set up TMLF, support financial institutions in granting loan for small, micro, private enterprises**

To provide more financial support for small, micro and private enterprises, PBC decided to set up the Targeted Medium-term Lending Facility (TMLF) to provide long-term, stable capital for financial institutions according to growth of their loan to small, micro and private enterprises. Large commercial banks, stock-holding commercial banks and large municipal commercial banks that strongly support the real economy and meet the macro-prudential requirement can submit application to PBC. The TMLF capital has the term of three years, the interest rate of TMLF is 3.15% now, which is 15 base points lower than that of the MLF.,.

Meanwhile, based on medium and small financial institutions' support for small, micro and private enterprises using re-lending and rediscount, the PBC decided to increase the re-lending and rediscount quota by RMB100 billion.

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

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