

**Regulatory
Developments**

PBC Normalizes Deposit Reserve Requirement on Offshore Financial Institutions' Onshore Deposits

Starting from January 25th, 2016, People's Bank of China (PBC) will normalize deposit reserve requirement on offshore financial institutions' onshore deposits. The offshore financial institutions do not include foreign central banks and similar institutions such as other official reserve management institutions, international financial institutions, and sovereign wealth funds. The PBC will keep supporting the cross-border use of RMB on a steady pace, facilitate international trade and investment, and promote the healthy internationalization of RMB.

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

CSRC Promulgates Basic Requirements on Information System Hosting in the Securities and Futures Sector

China Securities Regulatory Commission (CSRC) recently promulgated and implemented a financial industry standard - Basic Requirements on Information System Hosting in the Securities and Futures Sector (the Standard). First, the Standard can provide definite reference for the financial institutions to choose a trustee agency, and guide the system construction and management of the trustees. Second, the Standard defines the responsibilities of the clients and the trustees on the principle of "the party that controls the system should be liable". Third, the Standard classifies the depository requirements into different levels according to the importance of custody system.

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

Statistics

PBC Releases 2015 Financial Statistics Report

PBC has recently released the 2015 Financial Statistics Report. According to the report, the broad measure of money supply (M2) reached RMB 139.23 trillion at the end of 2015, an increase of 13.3% year-on-year, surpassing the goal of 12% set at the beginning of the year, up 1.1 percent from the end of last year. RMB loans rose by RMB 11.72 trillion while lending in foreign currencies fell by US\$50.2 billion. RMB deposits increased by RMB 14.97 trillion, and foreign currency deposits increased by US\$16.7 billion. The state foreign exchange reserves were US\$ 3.33 trillion. In 2015, RMB settlement in cross-border trade stayed at RMB 7.23 trillion and RMB settlement in direct investment at RMB 2.32 trillion.

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