

China-Swiss bilateral financial cooperation takes new steps

January 21, 2015 - The People's Bank of China (PBOC) and Swiss National Bank (SNB) signed a memorandum of understanding (MOU), as both sides have reached consensus on matters pertaining to the arrangements of establishing Renminbi clearing in Switzerland, and have agreed to expand Renminbi Qualified Foreign Institutional Investor (RQFII) pilot area to Switzerland, with an investment quota of 50 billion yuan.

The above arrangement shows a sign that China and Switzerland have taken new steps in financial cooperation, and are conducive to both Chinese and Swiss enterprises and financial institutions to use Renminbi for cross-border transactions, and will facilitate bilateral trade and investment.

http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2015/20150121181237397501269/20150121181237397501269_.html

PBOC and CIRC jointly issued a notice to allow Insurance Company to issue bonds for capital supplement in the national interbank bond market

Recently, the People's Bank of China (PBOC) and the China Insurance Regulatory Commission (CIRC) jointly issued Announcement No.3 of 2015, allowing insurance companies to issue bonds for capital supplement in the national interbank bond market.

Bonds for Capital supplement refer to bonds that are issued by insurance companies in the interbank bond market in a bid to replenish their capital, with maturities of 5 years or longer, and in the event of liquidation, their seniority is subordinate to insurance liability and other general liabilities but more senior than equity capital. Pushing forward insurance companies to issue capital supplement bonds in the interbank bond market is conducive to widen channels for them to raise capital, and to improve their solvency and ability to withstand risks. At the same time, as insurance companies are major investors in the interbank bond market for a long time, allowing them to issue bonds can help broadening issuers base and enriching investment products available in the in the interbank bond market.

http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2015/20150122180854317640715/20150122180854317640715_.html

PBOC publishes 2014 financial market performance statistics

Recently, the People's Bank of China (PBOC) released 2014 financial market performance statistics. In 2014, bond issuance volume increased year on year, growth rate of corporate credit bonds issuance volume expanded; turnover of interbank market jumped sustainably year on year, bond index went up; average

interest rate of the money market went down evidently, bond yield curve shifted downward sharply, corporate bond financing cost significantly reduced; investor based was more diversified; commercial bank counter transaction volume and the number of accounts opened increased significantly; trading of interest rate derivatives was more active, stock indices and turnover of two stock exchanges rose dramatically.

http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2015/20150120151549614772532/20150120151549614772532_.html