

**Regulatory
Developments**

CIRC orders insurance companies to carry out special inspection

Recently, the China Insurance Regulatory Commission (CIRC) formulates working plans, issues notices, and orders insurance companies to carry out special inspections on "strengthening internal control and external supervision, containing illegal operations and crimes". The main purpose is to find out problems and potential risks existing in the internal management of insurance companies, deal with them by sorts, establish a long-term effective mechanism, prevent and mitigate risks, and firmly holds the bottom line of no regional systematic risks occurs in the insurance industry. Major inspection points include issues and risks existing in the areas of corporate governance and internal control, business management, use of funds, financial management and solvency management, and consumers rights and interests protection. ([CIRC News](#) Chi)

Macroeconomic

PBC and NRB sign a supplementary agreement to the bilateral local currency settlement and cooperation agreement

People's Bank of China (PBC) Governor Zhou Xiaochuan and Nepal Rastra Bank (NRB) Governor Yubaraj Khatiwada signed a Supplementary Agreement to the Bilateral Local Currency Settlement and Cooperation Agreement between the two central banks. According to the supplementary agreement, the use of local currencies (Yuan and Nepal rupee) for settlement expands from border trade to general trade, covering larger geographical scope, and will further boost bilateral trade and investment growth between the two countries. In addition, both governors also witnessed the signing of a Memorandum of Understanding on Anti-Money Laundering and Anti-Terrorist Financing Intelligence Exchange and Cooperation between the China Anti-Money Laundering Monitoring and Analysis Center and Nepal Financial Information Center. ([PBC News](#) Chi)

China and Thailand take fresh steps in financial cooperation

On December 22, 2014, the People's Bank of China (PBC) entered into a memorandum of understanding in relation to the clearing arrangements of renminbi with Bank of Thailand (BOT). A renminbi clearing bank will be designated later in Bangkok. On the same day, the PBOC renewed the bilateral local currency swap agreement with the BOT. The amount specified in the agreement is 70 billion yuan, or approximately 370 billion Thai Baht, with an effective period of three years and may be extended by mutual consent. ([PBC News](#) Chi)

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