

Macro& Financial

Market News

PBC Governor Yi Gang Visits NAFMII and Held a Symposium

The People's Bank of China Governor Yi Gang and Deputy Governor Pan Gongsheng visited NAFMII and China Bond Insurance Co., Ltd. (CBIC) on October 24 for investigation into such issues as bond financing support instruments for private enterprises, and held a symposium.

Governor Yi Gang fully recognized NAFMII and CBIC for their efforts to establish bond financing support facilities for private enterprises, and highly praised all staffs under NAFMII for their professionalism and dedication. With continuous efforts to implement the unified deployment of the Party Central Committee and the State Council into the next phase, and stick to the basic economic system and the policy of "two unwavering", Governor Yi said, NAFMII and CBIC should actively make use of bond financing support instruments for private enterprises to improve the financial accessibility of private enterprises and create a good financing environment for the development of private enterprises.

Senior executives from the General Office of the People's Bank of China, the Monetary Policy Department, the Financial Markets Department, the Financial Stability Bureau and the NAFMII, and Huida Asset Management Ltd. Co, are also participate the symposium .
[\(PBC News\)](#) (Currently Available in Chinese)

CSRC issues the "Administrative Measures for the Management of Private Equity Asset Business of Securities and Futures Operators" and Relevant Rules

CSRC issued the "Administrative Measures for the Private Equity Asset Management Business of Securities and Futures Operators" and the "Regulations on the Operation and Management of Private Equity Asset Management Plans of Securities and Futures Operators" on October 22, 2018, which will be implemented as of the date of promulgation.

There are seven key rules: First is to unify the legal relations and clarify the basic principles. In accordance with the law and regulations, all types of private equity management products must be established according to the trust legal relations, based on which the basic principles such as "sellers doing their duty and buyers bearing related risks" are established. Second is to define business forms and clarify asset categories, that is, unify the existing rules of the "terminology

system”, and systematically define business forms, product types, standardized and non-standardized assets. Third is to generally unify the basic regulatory standards, covering such areas as qualifications of agencies for developing business, responsibilities of the administrator, operational norms and requirements of the internal control mechanism .Fourth is to properly draw on the experience of public offerings and optimize the investment operation system, including requirements on portfolio investment, compulsory custody, full disclosure, independent operation and other aspects. Fifth is to have the operating agencies assume the primary responsibility. This chapter systematically stipulates the risk management of securities and futures operators to conduct private equity management business and internal control mechanism requirements. Sixth is to strengthen prevention and control of key risks and make up for the weakness of the system. The focus is to enhance prevention and control of liquidity risks, as well as risks arising from using affiliated transactions to deliver benefits to the controlling shareholder or actual controller of the manager or the trustee. Seventh is to enhance front-line supervision and coordinated regulation and self-discipline, that is to improve the mechanism for information reporting and information sharing, reinforce front-line supervision of dispatched agencies, and intensify awareness of responsibility.

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

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