

Macro & Financial

CIRC solicits public opinions about *Regulations on the Solvency of Insurance Companies (Exposure Draft Version)*

Market News

CIRC recently solicited public opinions about the revision of the Regulations on the Solvency of Insurance Companies (Exposure Draft version).

The Regulations on the Solvency of Insurance Companies was enacted in 2008, but it can no longer meet the requirement for industrial risk prevention and the demand of the Gen-II solvency regulatory system with the fast development of Chinese insurance industry, increasing complexity and change of risks in the insurance market, and the establishment and implementation of the Gen-II solvency regulatory system. Therefore it needs to be improved and amended urgently. After the Gen-II system was officially put into use in 2016, CIRC started to revise the Regulations on the Solvency of Insurance Companies, and has worked out the Exposure Draft version based on extensive surveys and full discussions.

The Exposure Draft Version, with 49 articles under 7 chapters, specifies the duty and position of market stakeholders in the solvency regulatory system including CIRC and its local bureaus, insurance companies, agencies, and investors, establishing a solvency regulatory mechanism and system where regulatory bodies on different levels work in coordination, regulation and market force work in combination, and insurance companies and regulatory bodies fulfill their respective responsibilities.

CIRC plans to officially issue the revised Regulations before the end of 2017 based on feedbacks and opinions from various stakeholders.

[CIRC News](#)(Currently Available in Chinese)

Statistics

Financial market of China in September

In September 2017, altogether RMB4.2 trillion worth of various bonds were issued in the bond market, including RMB343.4 billion treasury bonds, RMB415.7 billion financial bonds, RMB638.6 billion corporate credit bonds, RMB49.9 billion credit-assets-backed securities, and RMB2.2 trillion NCD. RMB3.8 trillion worth of various bonds were issued in the interbank bond market.

The monetary market registered a transaction volume of RMB67.4 trillion in September, up 13.7% year-on-year and 3.9% month-on-month.

The interbank bond market registered a cash bond transaction volume of RMB10.2 trillion, averaging RMB463.74 billion per day, down 13.0% year-on-year and up 8.9% month-on-month. The exchange bond market saw a cash bond transaction volume of RMB440.75 billion, averaging RMB20.99 billion per day, down 2.2% year-on-year and 2.2% month-on-month. At the end of September, the interbank bond index stood at 175.51 points, increased by 0.88 point from the end of last month.

At the end of September, Shanghai Composite Index closed at 3,348.94 points, down 11.87 points, or 0.35% from the end of last month; Shenzhen Component Index closed at 1,1087.19 points, up 270.55 points, or 2.50% from the end of last month.

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

Disclaimer: NAFMII does not guarantee the accuracy of the information contained in the newsletter. Materials and data provided here are intended for general informational purposes only, and are not intended to provide specific investing, tax, business or legal advice to any individual or entity. Certain contents of this newsletter are copyrighted by NAFMII. You agree that information provided on this newsletter will be used solely for your own personal, noncommercial use and benefit, and this information is not to be distributed, sold, transferred or otherwise made available to third parties. You may not copy, recompile or create derivative works from the information provided on this newsletter. Readers are urged to consult with their own advisors before taking action based on any information appearing on this newsletter.