

NAFMII News

NAFMII Publishes Research on the *Relationship between U.S. Monetary Policy Cycle and Emerging Markets Crisis*

The Research is divided into five parts. To give readers a brief introduction, the first part presents a few cases of turning points in U.S monetary policy cycles in relation to times of crisis in emerging markets. The next part ensues to shed light on and digs further into the interrelated mechanism between U.S monetary policy cycles and the timings of crisis in emerging markets. The third part makes an attempt to predict the timing and rhythm for U.S to quit the easing monetary policy of this round. The fourth part combs the post-crisis structural reform in emerging markets. The final part reaches a conclusion and puts forward revelations for China.

[Report Abstract](#) (currently only available in Chinese)

Regulatory Developments

PBC Announced to Further Expand Credit Asset Securitization

On 28 August, the PBC announced to further expand the trial programme of Credit Asset Securitization. In the light of both international financial markets development and domestic experience of Credit Asset Securitization, credit securitized asset is a product of financial market development and conducive to promoting coordinated development between money market, credit market, bond market and stock market. Credit Asset Securitization always serves to boost bank liquidity, optimize resource allocation in financial market, promote financial innovation and develop multi-level capital market.

[PBC News](#) (currently only available in Chinese)

SAFE Releases *Regulations for Domestic Securities Investments by Qualified Foreign Institutional Investors (QFII)*

On August 27, 2013, the State Administration of Foreign Exchange (SAFE) released the *Regulations for Domestic Securities Investments by Qualified Foreign Institutional Investors (QFII)* (the "Regulations"). The Provisions mainly cover: (1) To cancel the restriction on the currency types of inward and outward funds to expand the sources of overseas securities investment funds of domestic institutions; (2) To cancel examination and approval of settlement and purchase of foreign exchange, and to simplify quota application documents; (3) To seek unity of quota management requirements to implement unified balance management of the overseas securities investment of various qualified institutions, namely, the net outward amount of foreign exchange of

overseas securities investment does not exceed the investment quota approved; and (4) To strengthen statistics collection and monitoring, and fully use electronic information means to strengthen the statistics and ex-post monitoring over cross-border capital flow under securities investment and prevent the risk of cross-border capital flow.

[SAFE News](#) (currently only available in Chinese)

CIRC Releases the *Guidelines for Supporting Adjustment, Transition and Upgrading of Economic Structure by Insurance Industry*

On August 27, 2013, the China Insurance Regulatory Commission (CIRC) released the *Guidelines for Supporting Adjustment, Transition and Upgrading of Economic Structure by Insurance Industry* (the "Guidelines"). The Guidelines set forth opinions and requirements for the insurance industry in ten aspects, such as strengthening insurance support in key areas and weak links, serving micro & small enterprises and scientific & technological innovations, improving the agricultural production security system, innovating the utilization methods of insurance funds, and optimizing the external environment for the transition and upgrading of economic structure.

[CIRC News](#) (currently only available in Chinese)

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