

NAFMII Related

Notice on matters concerning Bank of Hangzhou being qualified as lead underwriter of debt financing instruments for non-financial enterprises

According to the *Regulations on Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market* (PBC Decree [2008] No.1) and the *NAFMII Rules on the Evaluation of Members Underwriting Debt Financing Instruments for Non-financial Enterprises*, and in line with the resolution adopted at the third meeting of the third NAFMII Council to authorize the Secretariat to further study and improve the layered management mechanism of underwriters, we, based on evaluation and studies, hereby issue the following notice on matters concerning Bank of Hangzhou being qualified as lead underwriter of debt financing instruments for non-financial enterprises.

I. Bank of Hangzhou Co., Ltd. can carry out A-type lead underwriting business of debt financing instruments for non-financial enterprises in province, autonomous regions and municipalities directly under the central government where it has operations.

II. A-type lead underwriter should carry out businesses concerning the debt financing instruments for non-financial enterprises and perform its duties in accordance with the *Regulations on Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market* (PBC Decree [2008] No.1) and the *Rules on Intermediary Services for Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market*.

III. If A-type lead underwriter is subject to criminal penalty or substantial administrative penalty due to violation of law and regulations, NAFMII will suspend its lead underwriter status or disqualify it in accordance with self-regulatory rules including the *Rules on the Evaluation of Members Underwriting Debt Financing Instruments for Non-financial Enterprises*.

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

Phase 2 of RMB Cross-border Interbank Payment System Starts Pilot Operation

The Phase 2 of RMB Cross-border Interbank Payment System (CIPS) was launched for pilot operation in ten domestic and foreign banks simultaneously on March 26th, 2018. As such, the operating hours of CIPS basically cover the working hours in every time zone around the globe, supporting the payments and financial market operations

Regulatory

Developments

worldwide and meeting the demands of RMB users around the world.

The CIPS is an important financial infrastructure developed in line with the needs of China's cross-border trade development, RMB internationalization, development of real economy and implementation of the "go global" strategy. Since the successful launch of Phase 1 on October 8th, 2015, the CPIS has improved functions and expanded business volumes and participant base. The convenience and efficiency in fund settlement has gained wide recognition from its participants. In the next step, the PBC will continue to facilitate the improvement of CIPS functions and provide the necessary supporting arrangements.

[\(PBC News\)](#) (Currently Available in English)

CBRC issues *Guides on Behavior Management of Personnel Working in Banking Financial Institutions*

To further regulate the behavior of people working in banking financial institutions and strengthen the behavior management of them, CBRC recently issued the *Guides on Behavior Management of Personnel Working in Banking Financial Institutions*. The Guides consists of 28 articles under five chapters: General Provisions, Governing Structure of Behavior Management, Institutional Construction for Behavior Management, Supervision of Behavior Management, and Appendix.

First, the Guides specifies the governing structure of behavior management. It specifies the organizational structure of behavior management of people working in banking financial institutions and the duties of the board of directors, board of supervisors, and senior executives. It requires banking financial institutions to designate lead department and specific personnel responsible for the behavior management, and to set up a personnel management information system to consistently collect information about their behaviors.

Second, the Guides standardizes institutional construction for behavior management. All people working in banking financial institutions should observe the laws, regulations and working disciplines and receive education and training. Banking financial institutions should carry out regular evaluation of personnel behaviors and put in place long-term supervision and irregular inspection mechanism, and timely handle problems once they are identified. When recruiting new employees, the institution should evaluate their business-related behaviors and take the evaluation results as an important basis for their remuneration and promotion.

Third, the Guides intensifies supervision of personnel behavior management. Banking financial institutions should submit the code of conduct for the personnel and their evaluation reports to the banking regulator, and the regulator should enhance evaluation, supervision and information collection of the institutions' personnel behavior management.

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

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