

Macro & Financial

China and Switzerland renew currency swap agreement

Market News

People's Bank of China and The Swiss National Bank recently renewed the bilateral currency swap agreement in the sum of 150 billion yuan/21 billion Swiss Franc to provide liquidity support for bilateral trade and maintain financial market stability. The agreement will be valid for three years and subject to extension upon mutual agreement.

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

CBRC holds mid-year work meeting of 2017

From July 28 to 29, CBRC held the mid-year working meeting of 2017 in Beijing. The meeting stressed the great importance of banking regulation and ensuring the sound operation of this industry. First, new contributions to the real economy should be made. should give fuller play to the role of creditors committee, vigorously put the debt-to-equity swap projects into practice, and effectively support de-capacity and deleveraging. Second, new measures should be adopted to prevent risks in the banking industry. We will strictly carry out relevant regulations, regulate banking financing for real estate industry and local governments, give full play to the Inter-ministrial Joint meeting on Handling Illegally Fund Raising into full play, and work with relevant parties to actively and prudently deal with illegal fund raising activities. Third, new progress should be made on deepening reform. We will optimize the equity structure, strengthen penetrative regulation of shareholders, strictly monitor their related transactions, tunneling and improper interventions, and reinforce the assessment, examination and accountability on the performance of the board of directors. Fourth, new actions should be taken to strengthen regulation. We will comprehensively straighten out all the banking rules, fill up legal blanks as soon as possible, and strive to release 18 newly formulated and revised regulations within the year.

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

Regulatory

CIRC issues Provisional Measures for Regulating Credit and Guarantee Insurance Business

Developments

The Measures clarified that insurance companies should adhere to the principle of "compliance with laws and regulations, small and scattered sums, solid and prudent operation, and controllable risks" when carrying out credit and guarantee insurance business, so as to guarantee stable operation. In view of the prominent problems in credit and guarantee insurance business at an earlier stage, the Measures stipulated the scope and market behaviors of this business in the form of "negative list". First, insurance companies are prohibited from providing credit and guarantee insurance products and services for some financing activities. Second, insurance companies are prohibited from conducting credit and guarantee insurance business that violates insurance principles and exceeds loan interest rate up limit. Insurance companies are also prohibited from conducting credit and guarantee insurance business by splitting the term or sum of the insurance policy, adding specific clauses to the insurance policy, or by signing supplement agreement. Third, insurance companies are prohibited from working with online lending platforms that don't comply with the Internet finance regulations, or providing credit and guarantee insurance services for such platforms at excessive value.

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

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