

**Macro & Financial**

**PBC Implements Nationwide Macro-prudential Management on Cross-border Financing**

**Market News**

The People's Bank of China (PBC) has decided to expand the pilot project of macro-prudential management of cross-border financing, which currently covering both RMB and foreign currencies, to all financial institutions and enterprises across the country from May 3, 2016 onward. PBC and State Administration of Foreign Exchange (SAFE) will no longer make advance examination and approval of foreign debts undertaken by financial institutions and enterprises. These financial institutions and enterprises will carry out cross-border financing, either in RMB or foreign currency, independently within the upper limit that is linked with their capital or net assets.

After macro-prudential management of cross-border financing is promoted to the whole country, PBC can set and adjust relevant parameters according to the requirement of macro-regulation and the macro-prudential appraisal (MPA) results with the aim to counter-cyclically adjust the cross-border financing of financial institutions and enterprises. Thus cross-border financing can adapt to the macro-economic situation, overall solvency and balance of international payment as well as control leverage ratio and the risk of currency mismatch and effectively prevent systemic financial risks.

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

**Regulatory  
Developments**

**CSRC Issues Revised *Regulations on Securities Investor Protection Fund***

Approved by the State Council, China Security Regulatory Commission (CSRC), Ministry of Finance (MOF) and PBC released the revised *Regulations on Securities Investor Protection Fund*, which will come into force on June 1, 2016.

Generally speaking, the revised Regulations has received positive comments from all parties concerned. They consider it conducive to improving China's system of securities investor protection fund, consolidating investors' confidence and promoting the development of capital market. Also they put forth some suggestions for amendment, such as specifying the nature of the protection fund and increasing the duties of the protection fund company. This round of revision is aimed to optimize the governance structure, financing approach and collection/payment

procedures of the protection fund company.  
[CSRC News](#)(Currently Only Available in Chinese)

## Statistics

### Fixed Asset Investment Growth See Steady Rise in Q1 2016

According to information released by the National Development and Reform Commission (NDRC), fixed asset investment (excluding rural households) reached 8584.3 billion RMB in Q1 2016 with an increase of 10.7% YOY and 0.5 percentage points higher than the growth rate of January-February and 0.7 than that of 2015. Fixed asset investment grew by 11.2% in March, 1 percentage point higher than that of January-February and 2.8 than that of December 2015. The growth rate further climbed up following the rally in January-February.

In Q1, overall investment picked up ,thanks to the combined push from supply-side structural reform and the policies to boost investment and maintain steady growth, and thus played a positive role in maintaining economic growth.

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

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