

**NAFMII News**

**NAFMII Issues *Guidelines for Book-building Issue of Non-financial Enterprise Debt Financing Instruments***

On September 2, 2013, NAFMII published the *Guidelines for Book-building Issue of Non-financial Enterprise Debt Financing Instruments* (the Guidelines) as well as the supplementary guidelines on Agreement on Underwriting of Non-financial Enterprises Debt Financing Instruments in the Interbank Bond Market (2013 Edition) and *Agreement of Underwriting Group on Debt Financing Instruments of Non-Financial Enterprises in the Interbank Bond Market* (2013 Edition), effective as of October 1, 2013. The Guidelines clearly specifies the fundamental principles and operational requirements of book-building issue in terms of system construction, on-site management, and operating procedures for stakeholders such as book-runners, issuers, lead underwriters, and other members of the underwriting group. The Guidelines are applicable to book-building issue of both the public issuance and private issuance of debt financing instruments of non-financial enterprises in the inter-bank bond market.

[NAFMII Announcement](#) (currently only available in Chinese)

**NAFMII publishes Social Responsibility Report on the occasion of its Sixth Anniversary**

On 3 September, 2013, NAFMII published a social responsibility report to celebrate its sixth anniversary. As the first social responsibility report published by NAFMII, it systematically reviews NAFMII's performance in performing its social responsibilities in terms of improving social financing structure and debt financing efficiency, transforming market innovation mechanisms, disseminating values of market integration, supporting SMEs financing, as well as elevating the level for serving members since its establishment in 2007. The Report also summarizes NAFMII's exploration and reflections on performing its social responsibilities as a new-type self-regulatory organization in the OTC market. Meanwhile in this report NAFMII also discloses for the first time its internal governance, association culture, information security, staff training and promoting green office, and positively responds to indicators of performing social responsibilities such as responsibilities governance, market performance, social performance, environmental performance, etc.

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

### **NAFMII takes self-disciplinary actions against three issuers of debt financing instruments**

As issuers of debt financing instruments - Feicheng Mining Group Co., Ltd., Xinwen Mining (Group) Co., Ltd and Shanxi Coal Transportation and Sales Group Co. Ltd delayed disclosing material events and convening the Meeting of Bondholders during the life of debt financing instruments. According to relevant self-regulatory rules and regulations, self-disciplinary actions took by NAFMII include issuing disciplinary warnings and suspending related business for a period of three or six months to issuers, and giving admonishing talks to directly responsible individual of respective enterprises.

NAFMII Announcement (currently only available in Chinese)

1. [http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201309/t20130902\\_25682.html](http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201309/t20130902_25682.html)
2. [http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201309/t20130902\\_25683.html](http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201309/t20130902_25683.html)

### **NAFMII publishes Report of *Study on Bond Market and New-style Urbanization***

*Study on Bond Market and New-style Urbanization* explains how China's bond market can play a more significant role in the process of urbanization under the current situation from five aspects, namely: connotations of new-style urbanization and characteristics of financing needs; the bond market's role in the process of urbanization; international experience on how bond market supports urbanization; role of the bond market in the reform of financing methods amid China's urbanization; as well as the scheme of municipal bonds upon asset securitization.

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

### **NAFMII translated and publishes *An Introduction to the Bond Market (3rd Edition)***

*An Introduction to the Bond Market (3rd Edition)*, which translated by NAFMII, was officially published in September, 2013. The book not only presents an overview of the bond market, but also gives important analysis on the basic elements and key characteristics of the bond market; and introduces both the interpretation of laws and regulations governing market operation, and the latest market developments. This book is a representative work in describing how the bond market runs from both macro and micro perspectives.

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## **Regulatory Developments**

### **CSRC prints and issues the *Guiding Opinions on Resolving Horizontal Competition and Regulating Affiliate Party Transactions of State-owned Shareholders and their Holding Companies* ("Guiding Opinions")**

Guiding Opinions sets forth the effective measures to resolve horizontal competition and regulate related party transactions. Namely: first, it lays a foundation to resolve horizontal competition and regulate related party transactions through the demarcation of separate business sectors. Second, it will eventually incorporate businesses involving horizontal competitions into the same platform (the platform can either be a listed company or a non-listed company). Third, it will regulate the affiliated party transactions and make public disclosure on relevant information through the establishment of a sound internal control system. Fourth, it requires state-owned

shareholders to come up with solutions for existing horizontal competitions and actively fulfill their commitments. For commitments which cannot be fulfilled or need adjustments due to objective reasons, further public explanations and appropriate resolutions will be needed in advance.

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

**CBRC releases the *Guidelines on Customer Rights Protection in the Banking Industry***

CBRC lately released the *Guidelines on Consumer Rights Protection in the Banking Industry* (the Guideline). The Guideline is divided into five chapters, covering contents of consumer rights protection, responsibilities of financial institutions and the role of regulatory authorities in the banking sector. Chapter II of the Guideline specifies eight prohibitions concerning the acts of infringing the rights and interests of any banking consumers. The Guidelines reflects the principle of banking consumer rights protection “Prevention first, Giving priority to education, Safeguard legal rights according to law, and Coordinating conflicts” so as to address banking consumers’ concern over the lack of regulations and mechanisms on customer rights protection.

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

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