

NAFMII News

NAFMII takes self-disciplinary actions against a non-compliant institution

NAFMII took self-disciplinary actions against Qinghai State-Owned Assets Investment Management Co., Ltd. (QSAIM), an issuer of debt financing instruments, due to non-compliant disclosure of external guarantee information in the registration and issuance of debt financing instruments. Following punishments were made by NAFMII after being examined by the Secretariat in a thematic working meeting in accordance with relevant provisions, circulating a notice of criticism to QSAIM, ordering it to practically rectify the problems exposed in this incident, and conducting admonishing talks with Jiang Hong, who was in charge of information disclosure.

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

Regulatory Developments

New regulations on financial leasing companies will be launched soon to include both domestic and foreign-funded leasing companies

The Department of Circulation Industry Development at the Ministry of Commerce issued the Measures for the Inspection, Supervision and Management of Financial Leasing Companies (Draft) to solicit comments from the public. Previously the three types of leasing companies, namely financial leasing companies, foreign-funded leasing companies and domestic leasing companies, were all governed by different administrative measures. The Draft incorporate all three types of leasing companies and is added with the provisions that "the asset size and financial strength of a financial leasing company should correspond to its business scale, and foreign investors, who apply to set up financial leasing companies, should be enterprises and economic organizations that have been legally registered overseas and have already conducted substantive business activities."

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

Media says the central bank intends to unify the settlement method for the bond market

According to media reports, the central bank intends to adopt Delivery Versus Payment (DVP) settlement for all bond market participants. Relevant policies

include: market participants who fail to submit materials by June 17 will be banned from trading; accounts shall be opened before the end of September; and starting from October, all bond transactions will be settled via DVP. DVP is a settlement method the central bank started promoting in 2008, which poses no risks to either of the trading parties as payment is made at the time of delivery, while the other two settlement methods in the inter-bank bond market, Payment After Delivery (PAD) and Delivery After Payment (DAP), benefit one party and put the other party at risk.

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

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