

## Regulatory

### Developments

#### **Shanghai Stock Exchange and Shenzhen Stock Exchange issue Notice on the Trial Issuance of Belt and Road Bonds**

Shanghai Stock Exchange and Shenzhen Stock Exchange recently formulated the Notice on the Trial Issuance of Belt and Road Bonds and released it on March 2, 2018.

In recent years, the exchange bond market has made helpful attempts in promoting financing for and serving the construction of the Belt and Road Initiative. In March 2017, UC RUSAL successfully issued one billion worth of Renminbi bonds at the exchange market, which was the first Renminbi bond issued by a company in a country along the Belt and Road, drawing extensive attention in the world. In January 2018, Hongshi Group issued 300 million worth of Renminbi bonds at the exchange market for the construction of Belt and Road projects in Laos, which was the first bond issued by a domestic enterprise to raise money for Belt and Road projects. To date, the application for issuing Belt and Road bonds by seven domestic and overseas companies has been approved by NAFMII or received the No-action Letter from the Shanghai and Shenzhen Stock Exchanges, amounting to RMB50 billion in total. Four of them have already issued RMB3.5 billion worth of Belt and Road bonds.

After the Notice was issued, relevant parties can issue Belt and Road bonds at the Shanghai or Shenzhen Stock Exchange in three ways. First, government-type organizations in countries or regions along the Belt and Road can issue government bonds at the exchange. Second, enterprises and financial institutions registered in countries or regions along the Belt and Road can issue corporate bonds at the exchange. Third, domestic and overseas enterprises can issue corporate bonds at the exchange, and the money raised will be used for construction of the Belt and Road Initiative.

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

#### **CIRC revises Methods for Equity Management of Insurance Companies**

The Methods consists of 94 articles under 9 chapters, mainly including rules in three aspects. The first is rules before investing in an insurance company, including the requirements on the shareholder's qualifications, form of equity acquisition, and capital contribution. The second is rules after becoming the shareholder of an

insurance company, including code of conduct for shareholders and rules on the equity management of the insurance company. The third is rules on equity supervision and management, including the focus and measures of equity supervision and the accountability mechanism for violations.

The Methods specifies the rules on the threshold of becoming shareholders of insurance company, its equity structure, capital authenticity, and penetrating regulation. It set requirements in five aspects: (1) control the shareholder threshold more strictly; (2) intensify the regulation of equity structure; (3) strengthen the regulation of capital authenticity; (4) enhance penetrating regulation; and (5) reinforce the regulation and accountability of shareholders.

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

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