中国银行间市场交易商协会
National Association of Financial Market Institutional Investors

NAFMII WEEKLY UPDATE **2 December - 6 December, 2013**

NAFMII News

Latest NAFMII Data as of November 22, 2013

- The newly issued non-financial enterprises debt financing instruments through NAFMII in 2013 reached 2.64 trillion yuan (private placement product reached 519 billion yuan), accounting for 82.8% of the total volume of corporate bonds issued this year; the accumulated issuance volume of the instruments reached 10.9 trillion yuan, accounting for 73.6% of the accumulated volume of corporate bonds; the outstanding volume of the debt financing instruments amounted to 5.4 trillion yuan, accounting for 63.2% of the total corporate bonds outstanding.
- 4,203 market participants had joined NAFMII membership, including 203 banking institutions like policy banks, commercial banks and credit unions; 197 non-bank financial institutions like securities, insurance and finance companies; 8 financial intermediaries; 717 intermediaries like rating agencies, accounting firms and law firms; 3067 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 702 institutions (including 557 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,450 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 268 market institutions signed 1,279 Master Agreement on Bond Repurchase Transactions; 54 market institutions signed the Master Agreement on Loan Transfer; 22 market institutions signed the Master Agreement (Warranty); 57 institutions registered for Forward Rate Agreement (FRA) qualification and 104 institutions registered for Interest Rate Swap (IRS) qualification; and there were 46 Credit Risk Mitigation (CRM) traders, 26 core traders and 30 CRMW creation institutions; 442 PPN private investors registration; 485 issuance plans for debt financing instruments.

Regulatory Developments

PBC issues "Opinions on the Financial Policy Support to Develop Shanghai Free Trade Zone"

PBC issued "Opinions on the Financial Policy Support to Develop Shanghai Free Trade Zone" ("Opinions"). There are four aspects involving the facilitation of cross-border investment and traded: First, explore the facilitation of financial exchange of investment and financing, and propel the convertibility of the capital account in China; second, expand use of RMB in cross-border trade, allowing enterprises and individuals in the FTZ more flexibility to use RMB in their cross-border transactions; third, boost the liberation of interest rates steadily, speeding up relevant reform process; and fourth, deepen reform on foreign exchange management, further reducing administrative examinations and approvals. Meanwhile, the “Opinions”, with focus on practicing macro and prudential management, stipulate a series of risk prevention measures, implementing all-around risk management.

PBC News (Currently Only Available in Chinese)

PBC promulgates and implements the “Administrative Rules on Credit Agencies”

The “Rules” make improvement on entry requirements and exit procedure of individual credit agencies, and specifically solve the transitional issue between database processing and exit procedure of credit agencies. In terms of regulatory measures, the “Rules” establish a differentiated regulatory system based on specification of reporting requirements on credit agencies. It provides that should credit agencies fall under such circumstances as in serious violation of laws and regulations, possible information divulging, with financial status being fishy, suffering severe losses, or being complained a lot, PBC may have them listed as key targets to be regulated. In addition, the “Rules” also details qualification management requirements for senior management of individual credit agencies.

PBC News (Currently Only Available in Chinese)

CSRC issues the “Opinions on Further Promoting Reform of IPO Regime”

The “Opinions" is an important step for China to gradually move from an approval-based approach to a registration mechanism for IPO applications. The "Opinions" highlights a regulation philosophy, which focus on information disclosure. The examination focus of regulatory authorities is to review whether the IPO applications are compliant, leaving the value of the companies and related risks to the independent judgment of investors and the market. The “Opinions" clearly defines the responsibilities of securities service agencies such as issuers and sponsor institutions, accounting firms, law firms and asset appraisers, as well as personnel in these institutions as independent entities during the issuance process. For cases where issuers are in major violation of information disclosure, thereby incurring losses to investors, the issuer and the relevant intermediary agencies must compensate investors according to law. The integrity record and business practices of the intermediary agencies shall be publicized in accordance with provisions.

CSRC News (Currently Only Available in Chinese)

CSRC publishes the "Interim Provisions for Companies' Shareholders to Issue Shares upon IPO"

CSRC formulated and published the "Interim Provisions for Companies' Shareholders to Issue Shares upon IPO" ("Provisions"), which is an important supporting measure in this round of IPO reform. The "Provisions" specifies that senior shareholders who hold shares for as long as 36 months may offer old shares to the public in accordance with the principle of equal consultation at the public offering of new shares, increasing the number of tradable shares of the newly listed companies. The transfer of the old shares, as part of initial public offering, should comply with the provisions in the "Administrative Measures on the Offering and Underwriting of Securities" for their offering and underwriting.

CSRC News (Currently Only Available in Chinese)

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