

**Regulatory
Developments**

CBRC regulates the trust industry

CBRC issued “Notice on Relevant Matters Concerning Adjustment of Net Capital Calculation Standard for Trust Companies (Draft for Comments)”. CBRC requires trust companies to establish mechanisms on liquidity support and capital replenishment, and specifies timeline for trust companies to clean up their non-standardized financial capital pool business. In addition, the Guidelines also put forward requirements on multiple areas, such as submission of new products for approval before being launched and deferred payment of incentive remuneration etc.

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

CSRC replies to Shanghai-Hong Kong Stock Connect pilot

At noon of April 10, 2014, China Securities Regulatory Commission (CSRC) officially replied to Shanghai-Hong Kong Stock Connect pilot. CSRC pointed out that the connect quota is RMB 550 billion, the account balance of individual investors in HKEX should not be less than RMB 500,000, and it takes 6 months to prepare for the connection before its official launch. CSRC said there are significant differences between SSE and HKEX interconnection pilot and the existing QFII and QDII in terms of business carrier, investment direction, transaction currency, fund management, autonomous investment and etc; and they complement each other instead of affecting each other.

[CSRC News](#) (English)

CSRC adjusts internal structure and functions

CSRC has recently completed adjustment of internal structure and its functions. Bond Supervision Department undertakes the function of regulation on asset securitization, taking the role again as regulator of financing instruments. For one thing, it rectifies the misplacement of financial institution as main regulator; for another, it allows asset securitization to be treated as a fixed income product, laying foundation for its approval mechanism to transit from special approval to filing system in the future.

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

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