

**NAFMII Related**

**Third NAFMII Credit Rating Professional Committee Holds Second Meeting**

The third NAFMII credit rating professional committee held its second meeting in Beijing on December 15. Twenty committee members attended the meeting.

The meeting summed up the committee's work in 2016, reviewed its work results in such aspects as market-based credit evaluation, establishment of self-disciplinary and regulatory system for credit rating, capability building, and publicity and exchange, and vowed to continue efforts on all fronts to promote the sound and standard development of credit rating business in the interbank bond market.

The meeting reported operational situation of the credit rating industry in the debt financing instruments market for non-financial enterprises in 2016 and the market-based evaluation results of credit rating agencies. The committee members gave professional opinions on rating self-discipline, and discussed key and hot issues about the current development of rating industry, business practice and technology.

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

**Macro & Financial**

**Responsible person at PBC interviewed about off-balance-sheet financing**

**Market News**

People's Bank of China (PBC) will formally incorporate off-balance-sheet financing in general credit when 2017Q1 evaluation begins in order to guide financial institutions to intensify risk management of off-balance-sheet businesses. Off-balance-sheet financing assets, after deducting cash and deposit, will be incorporated in general credit, but the main indicator of general credit remains the YOY balance growth rate. The MPA has seen positive performance in the past year, during which general credit increased in a steady and orderly manner, the concept of capital restricting asset expansion was further implemented, and overall operations of financial institutions were steady, but some banks still had latent risks in their businesses. To measure risks more comprehensively and accurately and guide financial institutions to operate more prudently, it's necessary to intensify the MPA of off-balance-sheet financing business.

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

## CSRC Issues Securities Futures Investors Propriety Regulations

CSRC recently issued the Securities Futures Investors Propriety Regulations, effective as of July 1, 2017. The Regulations with 43 articles makes the following institutional arrangements regarding realistic problems in propriety management. (1) It forms a system that classifies investors based on multi-dimension indicators to unify the standards and management requirements for investor classification. (2) It specifies the bottom line and division of duty for product grading and establishes a product grading mechanism featuring inspection on all levels and rigorous risk control. (3) It stipulates institutions' obligations at each link of propriety management to comprehensively and strictly regulate relevant behaviors. (4) It highlights efforts to provide special protection for general investors and offer them targeted products and differentiated services. (5) It enhances regulatory duties and legal responsibilities to ensure performance of propriety obligations.

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

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