

**Regulatory
Developments**

CSRC issues *Guidance* to support green bond development

The *Guidance* stresses the concept of innovative, coordinated, green, open and shared development, which should be upheld to guide the exchange bond market to better facilitate the healthy and orderly development of green industry and contribute to the change of China's economic development model and transformation and upgrade of the economic structure.

The *Guidance* specifies that capital raised with green corporate bonds must be invested in green projects. Any violation of this rule and embezzlement of capital in the name of green project is prohibited. Securities companies, fund management companies, PE management institutions, commercial banks, insurance companies and other market entities as well as the products they manage are encouraged to invest in green corporate bonds and explore the possibility of forming a green investors' alliance. Stock exchanges will study and release green corporate bond index, build and improve the green corporate bond sector, and expand the market influence of such bonds. Investment institutions are encouraged to develop green-index-based green financial products such as publicly and privately offered funds in order to meet investors' needs.

The *Guidance* demands all units in the CSRC system to strengthen policy support and *guidance*, create green channels of approval, and apply the "immediate review upon application" policy to facilitate enterprises in issuing green corporate bonds. The Securities Association of China will regularly release the "list of green bonds" and make securities companies' underwriting of green corporate bonds as an important content in their social responsibility assessment. Local securities regulatory bureaus should proactively align with local governments in guiding social capital to participate in the construction of green projects.

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

Statistics

RMB exchange rate index stable in February

The RMB exchange rate index at CFETS was 93.84 on February 28, 2017, down by 0.40% from the end of January. RMB exchange rate index in reference to BIS currency basket and SDR basket was 95.10 and 95.79, down by 0.48% and up by 0.46% respectively from the end of January. Two of the indices fell and one rose, all

with a minor change and basically remaining stable. The annualized volatility of RMB exchange rate index at CFETS was 2.31% in February, lower than the 2.95% annualized volatility of the RMB central parity against USD, meaning that the RMB exchange rate remained basically stable against the exchange rate of basket currencies.

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

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