

Jurisdiction: China

2019 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Contact information

- I. Hedge funds
- II. Securitisation
- III. Enhancing supervision
- IV. Building and implementing macroprudential frameworks and tools
- V. Improving oversight of credit rating agencies (CRAs)
- VI. Enhancing and aligning accounting standards
- VII. Enhancing risk management
- VIII. Strengthening deposit insurance
- IX. Safeguarding the integrity and efficiency of financial markets
- X. Enhancing financial consumer protection

List of abbreviations used

Sources of recommendations

List of contact persons from the FSB and standard-setting bodies

National authorities from FSB member jurisdictions should complete the survey and submit it to the FSB Secretariat (imn@fsb.org) by **Friday, 12 July** (*representing the most recent status at that time*). The Secretariat is available to answer any questions or clarifications that may be needed on the survey. Please also provide your contact details for the person(s) completing the survey and an index of abbreviations used in the response.

National authorities are expected to submit the information to the FSB Secretariat using the Adobe Acrobat version of the survey. The Microsoft Word version of the survey is also being circulated to facilitate the preparation/collection of survey responses by relevant authorities within each jurisdiction.

Jurisdictions that previously reported implementation as completed in a particular recommendation are not required to include information about progress to date, main developments since last year's survey or future plans. Revisions to previously included text or descriptions of relevant developments and new reforms to enhance the existing framework in that area can be made as needed, but this is optional and should not lead to a downgrade from implementation completed to ongoing, unless these reverse previously implemented reforms. Jurisdictions that do not report implementation as completed are required to include full information both in the "Progress to date" and "Update and next steps" tables.

As with previous IMN surveys, the contents of this survey for each national jurisdiction will be published on the [FSB's website](#). Such publication is planned at around the time of the October 2019 G20 Finance Ministers and Central Bank Governors meeting. The FSB Secretariat will contact member jurisdictions in advance to check for any updates or amendments to submitted responses before they are published.

I. Hedge funds

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1. Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds.
(Seoul)

Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.
(London)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

I. Hedge funds

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2. Establishment of international information sharing framework

G20/FSB Recommendations

We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☒ Draft in preparation, expected publication by
☐ Draft published as of
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I. Hedge funds

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2. Establishment of international information sharing framework

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☐ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(CSRC)

The Interim Regulations for Administration of Private Funds was drafted by the CSRC and submitted for approval to the State Council on 10 January 2014. The legislative department of the State Council officially solicited opinions from the public in August 2017 and is actively facilitating this issue. The Regulation sets out high-level rules for the supervision of overseas private fund managers and maintaining effective regulatory cooperation with their home jurisdictions.

The CSRC is a signatory to the IOSCO MMoU and signed bilateral MoUs for supervisory cooperation which are aligned with the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I. Hedge funds

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2. Establishment of international information sharing framework

Update and next steps

Highlight **main developments since last year's survey**

Planned actions (if any) and expected commencement date

(CSRC)
CSRC is actively facilitating the promulgation of the Interim Regulations for Administration of Private Funds by the State Council.

Relevant web-links

Web-links to relevant documents

I. Hedge funds

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3. Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

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4. Strengthening of regulatory and capital framework for monolines									

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

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5. Strengthening of supervisory requirements or best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer-Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 2005: The CBRC is

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5. Strengthening of supervisory requirements or best practices for investment in structured products

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(CBIRC)

The former CBRC issued The China Banking Regulatory Commission Order No.3 [2005] to formulate the qualification, investment limitations and risk control requirements of the investment institutions. The former CIRC issued one regulation in 2012 to permit insurers investing in some high quality structured products with prudence. The former CIRC issued one regulation in 2016 to strengthen regulation of insurance asset investment in structured products.

(CSRC)

In July 2016, the CSRC promulgated the Tentative Rules on the Private Asset Management Business Operated by Securities and Futures Firms (abbreviated as “New Eight Bottom Lines”), which establishes the basic principle of “shared interests, shared risks” for structured products, requires that the senior shares (tranches) and subordinated shares of asset management products shall “simultaneously recognize profits or losses,” and strictly restricts the structure of seniority. The implementation of the New Eight Bottom Lines, to some extent, restrains issuers’ misconducts of purchasing the subordinated shares of self-issued structured products to leverage senior-level funds.

In October 2018, the CSRC promulgated the Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Firms and the Provisions on the Administration of Operation of Privately Offered Asset Management Plans of Securities and Futures Firms (abbreviated as “Detailed Rules of Asset Management”), which emphasize active management and due diligence requirements, strictly restrict “channel” businesses, establish the “double 25%” requirements for portfolio investment (the fund of a collective asset management plan invested in one asset shall not exceed 25% of the net value of the scheme; the fund of all collective asset management plans managed by one securities and futures firm invested in one asset shall not exceed 25% of the asset), limit the leverage ratio of asset management products. The leverage ratio (total assets/net assets) of structured asset management products shall not exceed 140%, while that of non-structured asset management products shall not exceed 200%.

(CSRC)

According to the two Notices on the securitization of PPP projects, the CSRC will enhance its cooperation with the MoF, PBC and NDRC, sufficiently utilize capital markets, actively promote eligible PPP projects to realize market-based financing through securitization, encourage PPP projects which are consistent with national development strategies to conduct securitization preferentially. Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) and the Asset Management Association of China (AMAC) established fast tracks to accept, review and record applications, appoint special personnel for this work, and improve

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

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5. Strengthening of supervisory requirements or best practices for investment in structured products									

Update and next steps	
Highlight main developments since last year's survey (CSRC) In October 2018, the CSRC promulgated the Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Firms and the Provisions on the Administration of Operation of Privately Offered Asset Management Plans of Securities and Futures Firms (abbreviated as “Detailed Rules of Asset Management”), which emphasize active management and due diligence requirements, strictly restrict “channel” businesses, establish the “double 25%” requirements for portfolio investment (the fund of a collective asset management plan invested in one asset shall not exceed 25% of the net value of the scheme; the fund of all collective asset management plans managed by one securities and futures firm invested in one asset shall not exceed 25% of the asset), limit the leverage ratio of asset management products. The leverage ratio (total assets/net assets) of structured asset management products shall not exceed 140%, while that of non-structured asset management products shall not exceed 200%.	Planned actions (if any) and expected commencement date (CSRC) The CSRC will keep promoting securities fund business institutions to realize relevant regulatory requirements, facilitate the promulgation of the Measures Governing the Private Asset Management Business of Securities and Futures Firms.

Relevant web-links	
Web-links to relevant documents http://www.csrc.gov.cn/pub/zjhpublic/G00306201/201607/t20160715_300835.htm http://www.csrc.gov.cn/pub/zjhpublic/zjh/201810/t20181022_345589.htm http://www.csrc.gov.cn/pub/zjhpublic/zjh/201810/t20181022_345590.htm http://www.csrc.gov.cn/pub/newsite/gszqjgb/gzdtgszj/201702/t20170227_312739.html http://www.csrc.gov.cn/pub/newsite/gszqjgb/gzdtgszj/201706/t20170627_319194.html http://www.csrc.gov.cn/pub/newsite/zjhxwfb/xwdd/201804/t20180425_337309.html	

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6. Enhanced disclosure of securitised products

G20/FSB Recommendations

Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of February, 2008 (CBPP)

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- ☐ Draft in preparation, expected publication by
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6. Enhanced disclosure of securitised products									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (PBC-Financial Market Department) In 2005, PBC and the former CBRC jointly issued Announcement of the People's Bank of China and the China Banking Regulatory Commission No. 7 [2005], which clarified the basic regulatory framework for the legal relationship, transaction structure, participation in the entity, information disclosure, issuance and settlement of credit asset-backed securities. In 2005 and 2007, PBC promulgated PBC Announcement No.14 [2005] and PBC Announcement No.16 [2007] to provide requirement for information disclosure of credit asset-backed securities as well as their underlying assets. In 2015, PBC promulgated PBC Announcement No. 7 [2015] to simplify the procedures for issuance, encourage shelf-registration, and standardize information disclosure of credit asset-backed securities. In accordance with the requirements of PBC Announcement No. 7 [2015], National Association of Financial Market Institutional Investors(NAFMII) has released information disclosure guidelines for credit asset-backed securities of six underlying asset types, which include residential mortgage loans, retail auto loans, shantytown renovation loans, consumer loans, non-performing loans, micro-enterprise loans, and has issued the guidelines on evaluation of information disclosure of credit asset-backed securities, establishing a continuous information disclosure tracking and evaluation mechanism. (CSRC) The Listing Guidelines for the Securitization of PPP Projects regulates the types of fundamental assets of PPP projects which are suitable for securitization (the rights to yields, assets and companies' equities of PPP Projects), and provides comprehensive regulations about the eligibility of all types of fundamental assets. Meanwhile, the Guidelines also lists the types of securitization projects encouraged. The Information Disclosure Guidelines regulates the responsible parties and channels of information disclosure, the requirements for information disclosure of PPP projects with different types of fundamental assets in the listing phase, as well as the requirements for information disclosure during the existence of the projects. The Listing Guidelines for the Securitization of Enterprises' Account Receivables emphasizes the definition and scope of application of enterprises' account receivables: provides specific requirements for the conditions of eligible fundamental assets. the diversification of fundamental asset pools and the content of	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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6. Enhanced disclosure of securitised products									

Update and next steps	
Highlight main developments since last year's survey The Listing Guidelines for the Securitization of Infrastructures emphasizes the definition and scope of application of infrastructure ABS; provides specific requirements for the conditions of eligible fundamental assets, the transfer of fundamental assets, affiliated transactions, the diversification of sources of cash flows and due diligence investigations; clarifies the requirements for inspections on bankruptcy remote, historical data of fundamental asset operations and prediction of cash flows; regulates the prediction, stress tests, collection and distribution of cash flows; and lists the types of projects encouraged by policies. In particular, to strengthen the control over moral hazards of original shareholders of infrastructure securitization and their affiliated parties, the Listing Guidelines clearly requires that the lowest tranches retained by original shareholders and their affiliated parties shall not be less than 5% of all tranches, and there is no condition for exemption. The Information Disclosure Guidelines regulates the responsible parties and channels of information disclosure; clarifies the standards and disclosure requirements for product specifications, legal opinions, rating reports and other relevant documents; and provides specific arrangements for the content and timing of regular reports and preliminary reports with the consideration of the characteristics of fundamental assets.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	(CBIRC) http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/20080226A5FAF86C984988EAF85A4A4AF3C1F00.html (CSRC) http://www.csrc.gov.cn/pub/newsite/gszqjgb/zcfggszq/zlgzzcfg/201801/t20180111_332370.html http://www.csrc.gov.cn/pub/newsite/gszqjgb/zcfggszq/zlgzzcfg/201801/t20180111_332368.html http://www.csrc.gov.cn/pub/newsite/gszqjgb/zcfggszq/zlgzzcfg/201801/t20180111_332372.html http://www.csrc.gov.cn/pub/newsite/gszqjgb/zcfggszq/zlgzzcfg/201801/t20180111_332371.html http://www.csrc.gov.cn/pub/newsite/gszqjgb/zcfggszq/zlgzzcfg/201802/t20180223_334394.html

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7. Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIBs \(Jul 2018\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

IAIS

- [Global Systemically Important Insurers: Policy Measures \(Jul 2013\) and revised assessment methodology \(updated in June 2016\)](#)
- [IAIS SRMP guidance - FINAL \(Dec 2013\)](#)
- [Guidance on Liquidity management and planning \(Oct 2014\)](#)

FSB

- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

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If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by 31.12.2017 (PBOC)
☐ Draft published as of
☒ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since January, 2013 (CBRC)

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7. Consistent, consolidated supervision and regulation of SIFIs									

Progress to date	
Issue is being addressed through ☒ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (PBC) On 27 November 2018, the PBC, CBIRC and CSRC jointly published the Guidance on Enhancing the Regulation on Systemically Important Financial Institutions. The Guidance establishes a high-level policy framework on the designation, regulation and resolution of D-SIFIs in China, and clarifies the institutional arrangements of the supervision on D-SIFIs. (CBIRC) 1. The former CBRC has initiated the comprehensive revision of the Commercial Banking Law according to the legislation plan of the National People's Congress. It shall plan to strengthen the corporate governance, consolidated supervision, and to restructure the resolution regime for the commercial banks. 2. The Capital Rules for Commercial Banks (provisional) became effective January 1, 2013. Five large banks are subject to 1% of RWA of surcharge. GSIBs should conform to GSIB surcharge as updated annually by FSB. 3. The Guidelines on Consolidated Banking Supervision has been modified in 2014. 4. The Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator was issued in 2014. 5. The former CBRC has revised and published the Regulation on On-site Inspection on Dec, 10, 2015. The regulation indicates allocating the supervisory resources based on the institution's risk status and its influence on the financial market. 6. The former CBRC has revised and published the Regulation on Off-site Inspection on Feb, 6, 2016. The regulation emphasizes to implement the off-site supervision on the level of the entity and the group, and to specify the regulatory frequency based on the risk status and systematic importance of the entity and the group. 7. The CBIRC establishes a special task force to follow the IAIS' instruction on implementing consolidated supervision and regulation of G-SII (China Ping An). 8. The PBC together with CBIRC and CSRC released the Guidelines for supervision of Systematically Important Financial Institutions in Dec2018, which prescribes the identification, regulation and resolution framework of the D-SIFIs. Other actions: (CBIRC) 1. Cross-border cooperation: The CBIRC holds Supervisory College for Chinese G-SIBs every year. The CMGs for BOC, ICBC, ABC and CCB have been established. The Cross-border Cooperation Agreements (COAGs) for BOC, ICBC, CCB and ABC have been signed. 2. RRP: The RRP for BOC, ICBC, ABC and CCB have been completed, and will be updated and reviewed by their CMGs every year. 3. RAP: Resolution assessments of BOC, ICBC, CCB and ABC have been completed and the results have been submitted to FSB. 4. Consolidated supervision: The CBIRC pays great attention to the consolidated supervision of G-SIBs in China.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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7. Consistent, consolidated supervision and regulation of SIFIs									

Update and next steps	
Highlight main developments since last year's survey (PBC) On 27 November 2018, the PBC, CBIRC and CSRC jointly published the Guidance on Enhancing the Regulation on Systemically Important Financial Institutions. The Guidance establishes a high-level policy framework on the designation, regulation and resolution of D-SIFIs in China. (CBIRC) 1. The PBC is leading the development of the assessment methodology to identify D-SIFI. The CBIRC is closely cooperating with the PBC to improve supervisory framework for financial institutions whose has significant systematic importance. 2. The RRP for BOC, ICBC, CCB and ABC have been updated and reviewed by CMG. 3. The CBIRC Continues to implement Higher Regulatory Standards for Large Commercial Banks.	Planned actions (if any) and expected commencement date (CBIRC) 1. The CBIRC will continue to enhance the intensity and efficiency of the supervisory regime, and strengthen the cross border supervision cooperation. 2. The CBIRC will continue to accomplish the overall supervisory legal framework and to expedite the legislation of resolution regime for SIFIs. 3. The CBIRC will participate in drafting the Supervisory Guidelines for the D-SIBs. 4. The RRP for BOC, ICBC, ABC and CCB will be updated and reviewed by their CMGs. 5. The resolvability assessment will be conducted and the templates would be provided to the FSB according to its related requirements. 6. The development of the final Guidance of the D-SIFI framework is at its last stage, and the assessment methodology and list of SIFIs will be released in due course.

Relevant web-links	
Web-links to relevant documents	1. http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/79B4B184117B47A59CB9C47D0C199341.html 2. http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/27E97E0235134CBDBD5AD4F5AD0A4D42.html 3. http://www.cbrc.gov.cn/govView_77141551F9C54B21A02BA36D4EF30FEF.html

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8. Establishing supervisory colleges and conducting risk assessments									

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

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9. Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date

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☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

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9. Supervisory exchange of information and coordination									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☐ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (CBIRC) The Banking Supervision Law provides that the CBIRC establishes supervisory information sharing mechanisms with the PBC and other domestic regulatory authorities. The CBIRC may establish supervisory cooperation mechanisms with supervisory authorities in other jurisdictions for cross-border supervision purposes. The CBIRC maintains regular contacts with domestic and overseas supervisors to share information regarding supervised banking and insurance institutions and the CBIRC requires that such shared information should be used for supervisory purposes and should be treated as confidential. Other actions: 1. By the end of December 2018, the CBIRC had signed MoUs on bilateral supervisory cooperation or other supervisory cooperation agreements with overseas supervisory authorities from 76 jurisdictions. 2. The CBIRC set up a cross-departmental work group to hold discussions with supervisory authorities of respective countries and implement results of high-level dialogues. In addition, the CBIRC actively participated in high-level bilateral and multilateral meetings. 3. The CBIRC strengthened coordination with the host regulatory authorities for overseas Chinese banks. 4. The CBIRC participates in more than ten global or regional supervisory colleges as host supervisor authorities annually, in addition to the more frequent conference calls and exchanges of letters among college members on an on-going basis. Particularly, CBIRC sets up bilateral working-level reciprocal visit mechanisms with some home supervisory authorities and holds supervisory meetings regularly to exchange respective concerns.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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9. Supervisory exchange of information and coordination									

Update and next steps	
Highlight main developments since last year's survey	Planned actions (if any) and expected commencement date (CBIRC) 1. The CBIRC will continuously improve the cross-border supervisory cooperation framework, including supervisory colleges. 2. The CBIRC will enhance the information-sharing framework that depends on multilateral cooperation and satisfies confidentiality requirements. 3. The CBIRC will boost the effectiveness of supervisory cooperation in such areas as coordinated risk assessments and recovery and resolution plans.

Relevant web-links	
Web-links to relevant documents	

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10. Strengthening resources and effective supervision

G20/FSB Recommendations

We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)

Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)

Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

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☐ Draft published as of
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☐ Final rule (for part of the reform) in force since

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions 1. The CBIRC continues to enhance the effectiveness and efficiency of supervision on banking and insurance industry. The Commercial Banking Law is under comprehensive review according to the legislation plan of the National People's Congress, and plan to strengthen the corporate governance, consolidated supervision, and to restructure the resolution regime for the commercial banks. CBIRC is working on the designation criteria of D-SIIs, and continue to enhance the supervision and resolvability of G-SIFIs. 2. The CBIRC strengthened coordination with the host regulatory authorities for overseas Chinese banks. The CBIRC has signed MOUs on bilateral supervisory cooperation or other agreements with its foreign counterparts from 70 jurisdictions. 3. The CBIRC holds quarterly meetings with the board and senior management of major banks, sharing analyses of changing economic and financial conditions as well as views on inherent financial risks. 4. The CBIRC has established training program including onsite training and multimedia training courses to promote colleagues' capabilities and skills. 5. The CBIRC reviews regulatory reporting data requirements annually based on full discussion with relevant financial entities, and provides training courses and Q&A platform. 6. The CBIRC issued the Notice on Effective Data Aggregation and Data Reporting for Big Commercial Banks in 2015, enhance the data governance and aggregation for G-SIBs.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I	II	III. Enhancing supervision	IV	V	VI	VII	VIII	IX	X
10. Strengthening resources and effective supervision									

Update and next steps	
Highlight main developments since last year's survey (CBIRC) 1. CBIRC continues to enhance the effectiveness of banking and insurance supervision. 2. The RRP for BOC, ICBC, CCB and ABC have been updated and reviewed by CMG. 3. The CBIRC continues to implement Higher Regulatory Standards for Large Commercial Banks.(PBC) PBC is leading the work of establishing the D-SIFI policy framework in China, and the final guidance is expected to be published in 2018. The final guidance will prescribe the identification, regulation and resolution framework of the D-SIFIs, and introduce relevant macro-prudential powers to the PBC. After the publication of the final Guidance, the PBC will lead the development of the operational rules to ensure timely implementation of the D-SIFI policy framework	Planned actions (if any) and expected commencement date (CBIRC) 1. The CBIRC will continue to enhance the intensity and efficiency of supervision regime, and strengthen the cross-border supervision cooperation. 2. The CBIRC will continue to accomplish the overall supervisory legal framework and to expedite the legislation of resolution regime for SIFIs. 3. The CBIRC will participate in drafting the Supervisory Guidelines for the D-SIBs. 4. The RRP for BOC, ICBC, ABC and CCB will be updated and reviewed by their CMGs. 5. The CBIRC will enhance the information sharing framework that depends on multilateral cooperation and satisfies confidentiality requirements. 6. The CBIRC will boost the effectiveness of supervisory cooperation in such areas as coordinated risk assessments and recovery and resolution plans. (PBC) The development of the financial Guidance of the D-SIFI framework is at its last stage, and it is expected to be completed in 2018.

Relevant web-links	
Web-links to relevant documents	

I II III

IV. Building and implementing macroprudential frameworks and tools

V VI VII VIII IX X

11. Establishing regulatory framework for macro-prudential oversight

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☒ Final rule (for part of the reform) in force since

I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
11. Establishing regulatory framework for macro-prudential oversight									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (PBC-Monetary Policy Department) The PBC has officially upgraded the dynamic reserve adjustment mechanism to a macro-prudential assessment (MPA) system since 2016 and included off-balance-sheet wealth management businesses in the broad credit indicators of the MPA since 2017. (PBC-Financial Stability Bureau) 1. The institutional arrangement of financial regulation is being reformed. In order to guarantee the sound operation of the financial system, the Financial Stability and Development Council (FSDC), composed of certain financial management authorities, was established in 2017. The administrative office of the FSDC is established in the PBOC. In addition, the CBRC and CIRC are consolidated to establish a new regulatory authority, CBIRC, to carry out the micro-prudential regulation to the banking and insurance sector. The duty of development of important laws, regulations and essential prudential regulatory framework for the banking and insurance sectors is now handed over to the PBOC from the previous CBRC and CIRC. 2. In order to contain the shadow banking risks, the PBC, together with other authorities, released the Guidelines on Standardizing Asset Management Business of Financial Institutions in April 2018, which develops unified regulatory standards for varieties of asset management products, enforce fair market access and regulation, and minimize the room for regulatory arbitrage. (Financial Stability Bureau) 1. Monitoring and assessment of systemic risks. The PBC has been publishing China Financial Stability Report annually, monitoring the risks across sectors, markets and the border, analyzing emerging risks and vulnerabilities in the financial system, and carrying out the on-site assessment of financial institutions and financial stability stress tests. 2. Enhancing the resolution regime of G-SIFIs. BOC, ICBC, ABC, CCB and Ping An Insurance (Group) Company have been designated as G-SIFIs. All of them have established CMGs, developed or renewed their RRP annually in accordance with the requirement of the FSB. (CBIRC) 1. Since 2006, the former CBRC held quarterly meetings with the board and senior management of major banks, sharing analyses of changing economic and financial conditions as well as views on inherent financial risks. 2. The former CBRC addresses macro-prudential issues with a variety of corrective and sanctioning powers including but not limited to warning, recommendations, prudential tools, powers of direction etc. the relevant department uses an appropriate range of techniques and tools to implement the supervisory approach and deploys adequate supervisory resources on a proportionate basis, taking into account the risk profile and systemic importance of banks.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I II III

IV. Building and implementing macroprudential frameworks and tools

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11. Establishing regulatory framework for macro-prudential oversight

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

(PBC-Monetary Policy Department)

Macro-prudential policy framework will be enhanced to play more important role in guarding against counter-cyclical, cross-market and cross-sector systemic financial risks. In view of the changes in economic and financial development, we may consider extending the coverage of macroprudential policy framework to more financial institutions, major financial markets and cross-border capital flows. We will strengthen planning and coordination, reform and improve the financial regulatory framework so that it adapts to development in modern financial markets.

(PBC-Financial Stability Bureau)

The PBC will further strengthen the assessment and monitoring framework of systemic risks, enhance the regulatory coordination among relevant authorities, and keep on improving the resolution regime of SIFIs.

Relevant web-links

Web-links to relevant documents

<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3215090/index.html>
<http://www.pbc.gov.cn/zhengcehuobisi/125207/125227/125957/index.html>

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IV. Building and implementing macroprudential frameworks and tools

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level. (Rec. 3.1, FSF 2009)

We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☒ Final rule (for part of the reform) in force since (CBIRC) 1. The form

I	II	III	IV. Building and implementing macroprudential frameworks and tools	V	VI	VII	VIII	IX	X
12. Enhancing system-wide monitoring and the use of macro-prudential instruments									

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (PBC-Monetary Policy Department) 1. On January 11, 2017, the PBC issued Notice on Matters concerning the Macro-Prudential Management on Full-Covered Cross-Border Financing in All Currencies (PBC Document [2017] No. 9), and further improved the policy framework. 2. On September 8, 2017, the PBC issued Notice on Adjusting the Policies for Foreign Exchange Risk Reserves (PBC Document [2017] No. 207), and decided that the foreign exchange risk reserve ratio should be zero as of September 11, 2017. 3. On September 8, 2017, the PBC decided to abolish the policy of penetration management on the deposit reserves of RMB deposits of overseas financial institutions in domestic financial institutions. PBC issued Notice on Adjusting the Policies for Foreign Exchange Risk Reserves (PBC Document [2018] No. 190) on August 3, 2018, and adjusted the forward foreign exchange risk reserve ratio from 0% to 20% on August 6, 2018. (PBC-Financial Stability Bureau) The PBC continuously strengthens and improves systemic risk monitoring and assessment. Analysis of macroeconomic situations, regional financial risks and development trends of specific industries were enhanced, and studies on local government financing platforms, financial holding companies, crypto-assets, risks of wealth management activities and enterprises' investments in the financial sector were carried out. In 2018, the PBC continued to publish the China Financial Stability Report, and conducted one financial stability stress test and four financial institution rating programs. (CBIRC) 1. The Guideline on Comprehensive Risk Management of Banking Institutions was published in September 2016. 2. Banking systemic risk warning system was upgraded in 2016. More indicators assessing systemic risk are included in the new system, such as the proportion of interbank assets/ liabilities in total assets/ liabilities, the growth of receivable investments. 3. CBIRC will work jointly with PBC and other authorities on system-wide monitoring and macro-prudential instruments. Other actions: 1. CBIRC keeps strengthening the systemic risks warning system framework. 2. CBIRC has made great efforts to improve stress tests, implementing both bottom-up and top-down regular stress tests.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

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IV. Building and implementing macroprudential frameworks and tools

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12. Enhancing system-wide monitoring and the use of macro-prudential instruments

Update and next steps

Highlight main developments since last year's survey

Planned actions (if any) and expected commencement date

(PBC-Monetary Policy Department)
Macro-prudential policy framework will be enhanced and improved in countercyclical, cross-market, and cross-sector aspects, to effectively prevent and mitigate systemic financial risks, maintain financial stability, and safeguard the bottom line of preventing systemic and regional financial risks. The PBC will properly conduct macro-prudential assessment, guide commercial banks to enhance liquidity and asset-liability management, guide the reasonable growth of monetary credit and social financing, strengthen systemic financial risk-prevention measures, and improve the efficiency of financial services for the real economy.

(PBC-Financial Stability Bureau)
The PBC will further strengthen the assessment and monitoring of systemic risks, continue to conduct financial stability stress tests, improve the regular risk monitoring and assessment system of banking, securities and insurance sectors, and enhance the on-site assessment on the soundness of financial institutions, the refine the newly established rating mechanism.



Relevant web-links

Web-links to relevant documents

<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3215090/index.html>
<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3055696/index.html>
<http://www.pbc.gov.cn/zhengcehuobisi/125207/125227/125957/index.html>

	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
13. Enhancing regulation and supervision of CRAs										

G20/FSB Recommendations

All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)

National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.

CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.

The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)

Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

I II III IV

V. Improving oversight of credit rating agencies (CRAs)

VI VII VIII IX X

14. Reducing the reliance on ratings

G20/FSB Recommendations

We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)

We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of July 2017

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☒ Final rule (for part of the reform) in force since November 2015 (NAF)

	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
14. Reducing the reliance on ratings										

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☒ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (CIRC) One regulation was issued in 2009 to require insurance companies to set internal rating system to reduce reliance on CRAs. Other actions: (Financial Market Department) 1. Hold joint ministry commission for corporate bond and reconfirm the consensus of reducing the reliance on credit ratings. 2. With no credit rating requirement for the pilot program of panda bond issuance. (PBC-Financial Market Department) 1. According to Article 12 in the Notice of Opening-Up on the Credit Rating Industry (Notice of the PBoC.2017.No.7), regulators should avoid the use of external credit rating in regulations and rules, agencies should properly use external credit rating results, strengthen internal credit rating system construction, and reduce the reliance to external credit rating. 2. Hold joint ministry commission for corporate bond and reconfirm the consensus of reducing the reliance on credit rating.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V. Improving oversight of credit rating agencies (CRAs)	VI	VII	VIII	IX	X
14. Reducing the reliance on ratings										

Update and next steps	
Highlight main developments since last year's survey	Planned actions (if any) and expected commencement date (CBRC) The credit risk RWA framework will be updated following the finalization of BCBS' rules on credit risk SA is postponed.

Relevant web-links	
Web-links to relevant documents	http://www.circ.gov.cn/web/site0/tab5225/info97646.htm http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/3337553/index.htm

I II III IV V

VI. Enhancing and aligning accounting standards

VII VIII IX X

15. Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of 1 January 2007

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

If “Implementation ongoing” has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☐ Final rule (for part of the reform) in force since

	I	II	III	IV	V	VI. Enhancing and aligning accounting standards					VII	VIII	IX	X
15. Consistent application of high-quality accounting standards														

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (MOF) China's Accounting Standards for Business Enterprises (ASBE) system, established by the Ministry of Finance (MOF) in 2006, and has converged with the IFRSs. The ASBE system has been applied by all listed companies, certain non-listed financial institutions and significant state-owned enterprises from 1 January 2007. The scope of such application has covered almost all of the large and medium-size enterprises. In 2010, the MOF published "Road Map for Continuing Convergence of the China's ASBEs and the IFRSs". In the Road Map, the MOF promised that the MOF would undertake continuous monitoring of any significant revisions and setting of the relevant accounting standards by IASB and keep pace with IFRSs. Since then, the MOF has issued 8 newly enacted or revised accounting standards in 2014, 7 revised accounting standards in 2017, 1 revised accounting standards in 2018, 2 revised accounting standards in 2019, achieving full convergence with the IFRSs..	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V	VI. Enhancing and aligning accounting standards	VII	VIII	IX	X
15. Consistent application of high-quality accounting standards										

Update and next steps	
Highlight main developments since last year's survey (MOF) The MOF has issued the revised accounting standards on Leases (ASBE 21) in 2018, which is substantially converged with IFRS 16 issued by IASB. The MOF has issued exposure draft on Insurance Contract (ASBE 25 26) in 2018, which is substantially converged with IFRS 17 issued by IASB. The MOF has issued the revised accounting standards on Exchange of Non-Monetary Assets (ASBE 7) and Debt Restructurings (ASBE 12) in 2019, which are also converged with the relevant requirements in IFRSs.	Planned actions (if any) and expected commencement date (MOF) The MOF will take measures to promote the effective application of the revised accounting standards, and will also follow up the development of IFRSs and carry out relevant outreach and research of other relevant ASBEs.

Relevant web-links	
Web-links to relevant documents	http://kjs.mof.gov.cn/zhengwuxinxi http://kjs.mof.gov.cn/zhengwuxinxi/gongzuotongzhi/201512/t20151223_1627721. (CSRC)http://kjs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201812/t20181213_3092629.html http://kjs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190516_3258929.html http://kjs.mof.gov.cn/zhengwuxinxi/zhengcefabu/201905/t20190529_3267525.html

I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

G20/FSB Recommendations

Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)

National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification

If "Implementation ongoing" has been selected, please specify

- ☐ Draft in preparation, expected publication by
☐ Draft published as of
☐ Final rule or legislation approved and will come into force on
☒ Final rule (for part of the reform) in force since

I II III IV V VI

VII. Enhancing risk management

VIII IX X

16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(PBC)

From 2011, PBC started to organize major commercial banks to conduct the financial stability stress test every year. The 2019 financial stability stress test, based on the end-2018 balance sheet data of 30 commercial banks with assets over RMB 800 billion, is now ongoing, and the results will be published in the China Financial stability Report 2019.

In order to fulfill the responsibilities of macroprudential regulation and systemic risk mitigation, and evaluate the operational management and risk profiles of financial institutions in a scientific and reasonable manner, the PBC started rating financial institutions in 2017. The rating results, which are also important inputs to the Macroprudential Assessment Program (MPA), are updated every quarter and used in determining differentiated premiums for deposit insurance, monetary policy instruments and countercyclical capital requirements. In 2018, the PBC conducted the rating program for four times.

(SAFE)

The PBC and the SAFE are responsible for macro-prudential administration of external debt. All banks and enterprises are allowed to borrow certain amount of external debt based on their Tier 1 capital or net assets. Meanwhile, foreign-invested banks are allowed to choose the former practices of controlling their outstanding balance within the external debt quota approved by the SAFE before January 2018, the foreign-invested enterprises are allowed to choose to control their outstanding external debt within "the difference between the total amount of investment for the project and the registered capital". The foreign exchange administration regarding the fulfilment of cross-border guarantee provided by domestic banks is under their own foreign exchange purchase and sale management. Approval of SAFE is required for the settlement of foreign currency cross-border borrowing by banks (YinFa[2017] No.9).

(CBIRC)

The CBIRC issued a series of documents, including: 1. Guidelines on Corporate Governance; 2. Guidelines on Internal Controls; 3. The Capital Rules of Commercial Banks; 4. Guidelines on Corporate Group Lending Risk Management; 5. Rules on Exposures to Shareholders and Other Related Parties; 6. Guidelines on Due Diligence in the Credit Extension by Commercial Banks; 7. Guidelines on Risk-Based Loan Classification; 8. Rules on Liquidity Risk Management of Commercial Banks; 9. Guidelines on Country Risk Management of Commercial Banks; 10. Guidelines on Market Risk Management; 11. Guidelines on Interest Rate Risk Management in Banking Book; 12. Guidelines on Operational Risk Management of Commercial Banks; 13. Guidelines on Reputation Risk Management; 14. Guidelines for the Stress Testing of Commercial Banks; 15. Guidelines on Consolidated Management and Supervision of

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

	I	II	III	IV	V	VI	VII. Enhancing risk management				VIII	IX	X
16. Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks													

Update and next steps	
Highlight main developments since last year's survey (CBIRC) 1. The CBIRC has published the Rules on NSFR Disclosure of Commercial Banks. 2. CBIRC has conducted “top-down” and “bottom-up” stress tests on credit risk, exchange rate risk, interest rate risk in the banking book, liquidity risk, interest rate of bond, etc. Stress scenarios are designed in three different situations based on the analysis of economic and financial environment, risk-sensitive factors and supervisor's judgments.	Planned actions (if any) and expected commencement date (CBIRC) The CBIRC will continue to draft the Guidelines on off-balance-sheet business risk management of commercial banks.

Relevant web-links	
Web-links to relevant documents	1. http://www.cbrc.gov.cn/21hinese/home/docDOC_ReadView/ECAE0309171448FDB18421AD0B63912D.html 2. http://www.cbrc.gov.cn/21hinese/newShouDoc/8189EEE949DB48F8993ACCCA638ED24B.html 3. http://www.cbrc.gov.cn/21hinese/newShouDoc/E4071088458C4943A86D04B25AA9CAFA.html 4. http://www.cbrc.gov.cn/21hinese/newShouDoc/338115BD0E6C43AAA979221670632DC5.html 5. http://www.cbrc.gov.cn/21hinese/newShouDoc/69F1A0A6BC254C45A9BACFA91DB3AA0F.html 6. http://www.cbirc.gov.cn/chinese/newShouDoc/7C44BC166AD8400AB1FBDA735AE0188B.html

I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

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I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(CBIRC)

1. The former CBRC issued Rules on Information Disclosure of Commercial Banks in 2007, setting out the general requirements on information disclosure for commercial banks. 2. The former CBRC raised supervisory requirements on information disclosure of commercial banks' capital composition and leverage ratio. 3. The former CBRC issued the Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator in 2014. 4. The former CBRC has published Rules on LCR Disclosure of Commercial Banks in the end of 2015, to enhance the capacity of commercial banks' liquidity risk management. 5. In China Risk Oriented Solvency System, the former CIRC requires insurers to provide risk disclosure in their reporting and to the public including solvency status and operation situation. 6. The CBIRC has launched the Second Phase of C-ROSS construction, including improving the disclosure requirement to enhance transparency. 7. The CBIRC has published Rules on NSFR Disclosure of Commercial Banks in 2019, to enhance the capacity of commercial banks' liquidity risk management.

Other actions:

(CBIRC) Financial institutions are encouraged to share information including but not limited to the content of the supervisory requirements.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V VI

VII. Enhancing risk management

VIII IX X

17. Enhanced risk disclosures by financial institutions

Update and next steps

Highlight **main developments since last year's survey****Planned actions** (if any) and expected commencement date

(CBIRC)

The CBIRC will implement the pillar 3 stage 1 and stage 2 disclosure framework set out by BCBS in due course.

Relevant web-links

Web-links to relevant documents

1. <http://www.cbrc.gov.cn/chinese/files/2013/39FECDE76C424AA1B8D81375D63FA4DF.pdf>
2. <http://www.cbrc.gov.cn/chinese/home/docView/5E453E74F3F0468CB05F535B82466704.html>
3. http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/8E3CF3075E99400EB95B58AE186448CE.html

I II III IV V VI VII

VIII. Strengthening deposit insurance

IX X

18. Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

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	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X
18. Strengthening of national deposit insurance arrangements													

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☒ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions (PBC-Financial Stability Bureau) Since the enactment of the Deposit Insurance Regulations, the deposit insurance system has been established in China. Currently, the PBC is responsible for the implementation of the deposit insurance system. In the starting period, all the eligible deposit-taking financial institutions have become insured and submitted the premiums twice a year to accumulate the deposit insurance fund. In 2018, the PBC improved the framework of deciding the deposit insurance premiums.	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

	I	II	III	IV	V	VI	VII	VIII. Strengthening deposit insurance				IX	X	
18. Strengthening of national deposit insurance arrangements														

Update and next steps	
Highlight main developments since last year's survey (PBC) On 24 May 2019, the Deposit Insurance Fund Management Corporation was established with a registered capital of RMB 10 billion. Currently, the PBC is improving the framework of ex-ante risk monitoring and mitigation based on the Deposit Insurance Regulations. In 2018, relative authorities developed the reform agenda of the exiting mechanism of market participants to facilitate the establishment of the market-based exiting mechanism of financial institutions.	Planned actions (if any) and expected commencement date (PBC-Financial Stability Bureau) The PBC is planning to issue more guidelines on exercising the prompt corrective actions and utilizing the deposit insurance fund to deal with problem and failed insured financial institutions. The PBC is also planning more awareness programs to promote the public's correct understanding in deposit insurance.

Relevant web-links	
Web-links to relevant documents	

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency

G20/FSB Recommendations

We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date

- ☒ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☐ Implementation completed as of

If “Not applicable” or “Applicable but no action envisaged...” has been selected, please provide a brief justification

(CSRC)

Currently, possibilities of the prevalence of high frequency trading in China are still low. Some relatively active high frequency traders are mostly trading in the futures markets. The reasons are as follow: first, due to the T+1 settlement cycle in the A-share market, intraday trading is not allowed. Second, the frequency of the update of market quotes is one time in every three seconds, which largely limits the speed of trading. Third, investors need to pay stamp duties, exchanges' handling charges and securities supervision fees, so the profit margin of high frequency trading is relatively limited.

Article 39 of the Securities Law provides that “stocks, corporate bonds and other securities offered publicly pursuant to law shall be traded on lawfully incorporated securities exchanges or transferred on other securities trading venues approved by the State Council”. This actually excludes the possibility that stocks are traded in alternative trading venues which are similar with dark pools in the U.S. and Europe.

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	I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets					X
19. Enhancing market integrity and efficiency														

Progress to date	
Issue is being addressed through ☐ Primary / Secondary legislation ☐ Regulation / Guidelines ☐ Other actions (such as supervisory actions) Short description of the content of the legislation/regulation/guideline/other actions	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

19. Enhancing market integrity and efficiency**Update and next steps**Highlight **main developments since last year's survey****Planned actions** (if any) and expected commencement date**Relevant web-links****Web-links to relevant documents**

I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☐ Implementation ongoing
☒ Implementation completed as of (CSRC) The State C

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I II III IV V VI VII VIII

IX. Safeguarding the integrity and efficiency of financial markets

X

20. Regulation and supervision of commodity markets

Progress to date

Issue is being addressed through

- ☒ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☐ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(CSRC)

The Regulations for the Administration of Futures Trading provides that: illegal activities including fraud, insider trading and manipulation are prohibited in futures trading; futures exchanges shall institutionalize risk management systems including margins depositing, daily mark to market settlement, price limits, position limits, large holder reporting and risk reserves. Futures exchanges shall release information including futures trading turnover, prices, open interests, highest and lowest prices, opening and closing and other applicable real-time quotes in a timely manner.

Pursuant to the Regulations for the Administration of Futures Trading, the CSRC issued the Measures for the Administration of Futures Exchanges. The Measures emphasizes position limits, large holder reporting system and risk reserves system, and provides for punitive measures for members or clients who violate relevant regulations and rules. In the meantime, according to the Measures, futures exchanges shall release information including real-time quotes, ranking of turnover value and open interests, number of standardized warehouse receipts and remaining warehouse capacity in a proper manner; futures exchanges shall also prepare and release weekly, monthly and yearly reports of trading information in a timely manner.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets					X
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20. Regulation and supervision of commodity markets

Update and next steps	
Highlight main developments since last year's survey (CSRC) As for OTC market establishment, the CSRC is directing China Futures Market Monitoring Center Corporation Limited to establish trade repositories according to international standards, improving market transparency.	Planned actions (if any) and expected commencement date

Relevant web-links	
Web-links to relevant documents	http://www.gov.cn/flfg/2012-11/05/content_2257826.htm http://www.gov.cn/flfg/2007-04/13/content_581639.htm

I	II	III	IV	V	VI	VII	VIII	IX. Safeguarding the integrity and efficiency of financial markets	X
21. Reform of financial benchmarks									

G20/FSB Recommendations

We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

G20/FSB Recommendations

We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)

Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles as well as the [G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age](#), which provides additional effective approaches for operating in a digital environment. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation. In the case of private pensions, additional guidance can be found in the [Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems](#)

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date

- ☐ Not applicable
☐ Applicable but no action envisaged at the moment
☒ Implementation ongoing
☐ Implementation completed as of

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If “Implementation ongoing” has been selected, please specify

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I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Progress to date

Issue is being addressed through

- ☐ Primary / Secondary legislation
- ☒ Regulation / Guidelines
- ☒ Other actions (such as supervisory actions)

Short description of the content of the legislation/regulation/guideline/other actions

(PBC)

Implementation Measures for the Protection of Financial Consumer Rights and Interests of PBOC regulates the behaviour of financial institutions to provide financial products and services, maintains a fair and just market environment, and protects the legitimate rights and interests of financial consumers according to law.

(CBIRC)

1. In 2016, the former CIRC, jointly with the Supreme People's Court, issued a Notice to comprehensively promote the Bridging System of Litigation and Mediation for insurance dispute. 2. In 2017, the former CIRC issued the Interim Method on Traceability of Insurance Sales Behavior and the Opinions on Strengthening Risk Warning of Insurance Consumption, and signed an MOU with NDRC, PBC and other government departments on Jointly Implementing Disciplinary Measures Against Subjects Responsible for Breaching of Trust in Insurance Sector. 3. In 2017, the former CBRC released Interim Rules for the Administration of Equipping Audio and Visual Recordings at Sales Zones by Banking Financial Institutions, Work Rules for the Expert Committee on Banking Consumer Protection and Work Rules for the Conduct Regulation Committee on Financial Transactions. The two Work Rules emphasize the importance of expertise input and social surveillance in order to enhance the work of banking consumer protection in China. 4. In September 2018, CBIRC released the standard for Statistical Classification and Coding of Financial Consumer Complaints for Banking Institutions. 5. In October 2018, CBIRC and PBOC jointly issued the Notice on Implementing the Standard for Statistical Classification and Coding of Financial Consumer Complaints for Banking Institutions, in order to strengthen the analysis of financial consumer complaints.

Other actions:

(CBIRC)

1. The former CBRC finished the annual evaluation on the performance of consumer protection work by banking financial institutions. 2. In 2018, CBIRC conducted on-site examination covering the main banking and insurance institutions. 3. In 2018, CBIRC launched "Financial Knowledge into all" activities and organized banking and insurance institutions to carry out the '3·15' Publicity and Education Week Activities on Financial Services. 4. In November 2018, CBIRC released six typical cases of infringement of financial consumer rights, in order to raise consumers' awareness of risks. 5. CBIRC integrated the former complaints channel for banking consumers into the "12378" hotline for insurance complaints, in order to smooth the complaints channel for financial consumers.

If this recommendation has not yet been fully implemented, please provide **reasons for delayed implementation**

I II III IV V VI VII VIII IX

X. Enhancing financial consumer protection

22. Enhancing financial consumer protection

Update and next steps

Highlight main developments since last year's survey

(PBC)

In 2018, the PBOC carried out the annual self-assessment and evaluation on the performance of consumer protection of financial institutions which include banking financial institutions, payment institutions and other financial institutions. Through evaluation, PBOC guides the financial institutions to regulate the provision of financial products and services, and effectively protect the legitimate rights and interests of financial consumers.

(CBIRC)

1. In 2018, CBIRC conducted on-site examination on sales conduct in business premises covering 7 national banks and 134 regional banks. CBIRC also conducted on-site examination of 11 insurance companies, focusing on the violation of laws and regulations of financial consumer protection. 2. CBIRC completed the 2017 annual evaluation on the performance of consumers' protection work by banking institutions and disclosed the outcome for the 2017 evaluation. Recently, CBIRC has finished the 2018 annual evaluation, and the outcome for 2018 evaluation will be published shortly. 3. CBIRC conducted surveillance on insurance claim settlement, analyzing the data of settled claim cases in 2017. In July 2018, CBIRC disclosed information on small-amount claims' settlement efficiency and settlement ratio for the whole sector and some insurance companies. 4. CBIRC attaches great importance to the work of consumer education. In September 2018, CBIRC and PBOC jointly launched 'Financial Knowledge into all' activities across the country, carrying out 282 thousand publicity and education activities in total, distributing 147 million copies of publicity materials, and sending 71 million SMS, in order to improve the consumers' financial knowledge and capability. In March 2019, CBIRC organized banking and insurance institutions to carry out the '3·15' Publicity and Education Week Activities on Financial Services to enrich the channels and forms of financial customer education. +

Planned actions (if any) and expected commencement date

(CBIRC)

1. CBIRC is drafting the guidance on the construction of the system and mechanism of consumer protection of banking and insurance institutions. External consulting work has been completed, and the guidance is expected to be published recently. 2. On the basis of the annual evaluation on the performance of consumer protection work by banking institutions, CBIRC will develop Customer Protection Assessment Method for both the banking and insurance institutions. The drafting work is finalized by the end of 2019. 3. To further regulate online insurance sales conduct, CBIRC is drafting a rule on the backtrace of online insurance selling behaviours. CBIRC has finished external consulting work recently. CBIRC plans to introduce a guidance on sales conduct of banking and insurance institutions. In 2019, CBIRC plans to conduct on-site examinations on financial consumer protection concerning banking credit, wealth management products, financial service fees, sales conduct of financial products in consignment. CBIRC will also conduct on-site examinations on the protection of insurance consumers' rights, such as right of +

Relevant web-links

Web-links to relevant documents

<http://www.pbc.gov.cn/zhengwugongkai/127924/128038/128109/3221078/index.html>
<http://www.circ.gov.cn/web/site0/tab5225/info3969126.htm>
<http://www.circ.gov.cn/web/site0/tab5225/info4050406.htm>
http://www.gov.cn/xinwen/2017-07/10/content_5209278.htm
http://www.gov.cn/xinwen/2017-09/13/content_5224744.htm
http://www.ndrc.gov.cn/zcfb/zcfbtz/201708/t20170830_859400.html

	I	II	III	IV	V	VI	VII	VIII	IX	X	List of abbreviations used
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ABC: China Agricultural Bank
 ASBEs: China's Accounting Standards for Business Enterprises
 BOC: Bank of China
 BOCOM: Bank of Communication
 CBRC: (former) China Banking Regulatory Commission
 CBIRC: China Banking and Insurance Regulatory Commission
 CCB: China Construction Bank
 CCRC: China Credit Rating Company
 CIRC: China Insurance Regulatory Commission
 CSRC: China Securities Regulatory Commission
 DDRRR: dynamic adjustment of the differentiated reserve requirement ratio
 DIS: deposit insurance system
 ICBC: Industrial and Commercial Bank of China
 LTV: loan to value ratio
 MOF: the Ministry of Finance
 NAFMII: National Association of Financial Market Institutional Investors
 NDRC: the National Development and Reform Commission
 PBC/PBOC: the People's Bank of China
 PRC: the People's Republic of China
 SAC: Securities Association of China
 SAFE: State Administration of Foreign Exchange

Sources of recommendations

- [Buenos Aires: G20 Leaders' Communique \(27 November 2018\)](#)
- [Hamburg: G20 Leaders' Communique \(7-8 July 2017\)](#)
- [Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)
- [Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)
- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
- [Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)