

Jurisdiction: China

2014 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Refining the regulatory perimeter					
1 (1)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking ¹	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (see below) Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: joint ministerial conference mechanism was established in Aug 2013; comprehensive research was conducted and finished in 2013 and	Planned actions (if any): 【CBRC】 The CBRC, together with other regulatory authorities, will take measures to strengthen the oversight of shadow banking, keep pace with development of financial market, especially shadow banking system, and enhance the academic communication and cooperation with other organizations for better risk monitoring and assessment of shadow banking. 【CIRC】 CIRC is trying to screen over all related products and business in insurance sector to find a clear definition soon. Expected commencement date: The CBRC is consistently improving regulation for non-bank financial institutions when they are established. Web-links to relevant documents:
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ² (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation.		

¹ Some authorities or market participants prefer to use other terms such as “market-based financing” instead of “shadow banking”. The use of the term “shadow banking” is not intended to cast a pejorative tone on this system of credit intermediation. However, the FSB is using the term “shadow banking” as this is the most commonly employed and, in particular, has been used in the earlier G20 communications.

² This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				<p>kept updated on an on-going basis; relevant specific regulations were issued separately in recent years.</p> <p>Short description of the content of the legislation/ regulation/guideline: 【CBRC】 Shadow banking in China is different from other jurisdictions in funding channels, investment modes, and business structures. China’s financial market is less developed, and its size is not so large with relatively low leverage ratio and simple operation. Therefore, the overall risk of shadow banking is well under control. Besides, all Chinese non-bank financial institutions have been already strictly regulated; there are adequate regulation policies and guidelines for different entities. They should get financial licenses and are subject to the CBRC’s regulation. In summary, the regulatory authorities has taken a series of measures as follows: 1. The CBRC has taken joint efforts with other regulatory authorities to conduct the comprehensive research upon China’s shadow banking system, including its definition, background, size, characteristics, potential risks, regulation and so on. 2. The regulation principles and measures have been further refined for better risk monitoring of shadow</p>	

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				<p>banking system. Beside, the regulations on non-financial institutions with financial functions, such as micro-credit companies, network finance, pawn houses have been strengthened or under research progress. 3. The coordination mechanism of financial regulation on shadow banking system has been well established, including information sharing, data statistics, synergy regulation and so on, aiming at improving effectiveness and avoiding over-lap of regulation on shadow banking. Besides, all types of non-bank financial institutions are subject to corresponding regulation policies.</p> <p>Highlight main developments since last year’s survey: (Same as the section “other actions” above)</p> <p>Web-links to relevant documents:</p>	

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II. Hedge funds					
2 (2)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>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)</p>	<p>Jurisdictions should state whether Hedge Funds(HFs) are domiciled locally and, if available, indicate the size of the industry in terms of Assets Under Management (AUM) and number of HFs. Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009).</p> <p>In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - HFs and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: December 28, 2012 (the Securities Investment Fund Law) and Jan 17, 2014 (Measures for Registration of Private Fund Managers and Filing for Private Funds (Trial))</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 The amendment to the Securities Investment Fund Law was approved in December 2012. The Law</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): 【CSRC】 Relevant laws and regulations are already in force and effective, including the Measures for Registration of Private Fund Managers and Filing for Private Funds (Trial)). For the next step, Interim Regulations for Administration of Private Funds has been submitted for approval to State Council on Jan 10, 2014 and is currently under review by the Legislative Affairs Office. The Regulations provides for registration and filing, fund raising, investment operations, self-regulation, supervision and administration of private funds, and specific rules and legal liabilities for venture capital funds. In the meantime, the CSRC is in the process of drafting Interim Measures for Administration of Private Funds to further clarify regulations for registration and filing, investor suitability rules, information disclosure and self-regulation. We will continue our work to propel release of the two regulatory</p>

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				<p>added a new section on private funds, requiring private fund managers to register and report product information. The Law also subjects private fund managers to fund raising, operation and disclosure standards.</p> <p>Highlight main developments since last year's survey: 【CSRC】 With authorization of the CSRC, the AMAC released Measures for Registration of Private Fund Managers and Filing for Private Funds (Trial) on Jan 17, 2014, and officially started registration of private fund managers and filing of private funds on Feb 7.</p> <p>Web-links to relevant documents: http://www.gov.cn/flfg/2012-12/28/content_2305569.htm http://www.amac.org.cn/flfg/flfgwb/zlgz/385709.shtml</p>	<p>documents in time.</p> <p>Expected commencement date: December 31, 2014</p> <p>Web-links to relevant documents: http://www.csrc.gov.cn/pub/zjhpublish/G00306201/201302/t20130220_221411.htm http://www.amac.org.cn/xhgg/tzgg/382777.shtml</p>

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3 (3)	Establishment of international information sharing framework	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)	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. <p>In particular, jurisdictions should indicate those jurisdictions where an MoU is in place that provides for oversight when a hedge fund is located in one of these jurisdictions and manager is located elsewhere.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>IAIS is pushing forward the international information sharing framework and CIRC is fully cooperative for that.</p> <p>Status of progress :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Draft in preparation, expected publication by: December 30,2014 <input checked="" type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 Interim Regulations for Administration of Private Funds was</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation: (Reform is in its last step. The remaining part is the Interim Regulations for Administration of Private Funds, which was submitted for approval to the State Council on Jan 10, 2014 and is currently under review by the Legislative Affairs Office.)</p> <p>Planned actions (if any): 【CSRC】 The CSRC will follow up on release of Interim Regulations for Administration of Private Funds in coordination with the State Council.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>drafted by the CSRC and submitted for approval to the State Council on Jan 10, 2014 and is currently under review by the Legislative Affairs Office. The Rules sets out in-principle rules for the supervision of overseas private fund managers and effective regulatory cooperation with their home jurisdictions. The CSRC is signatory to the IOSCO MMOU and bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation.</p> <p>Highlight main developments since last year's survey: (Interim Regulations for Administration of Private Funds was drafted by the CSRC and submitted for approval to the State Council on Jan 10, 2014 and is currently under review by the Legislative Affairs Office.)</p> <p>Web-links to relevant documents:</p>	

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4 (4)	Enhancing counterparty risk management	<p>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)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented the Basel III rules for credit exposures to highly leveraged counterparties (para 112 of Basel III (Jun 2011) – see also FAQ no 1b.4 on Basel III counterparty credit risk, Dec 2012), and principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: CSRC: Monitor counterparty risks through filing information of certain private funds.</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p>Basel III capital requirement will be fully implemented in China by 2019. But the regulation is in place and now it is in the transitional period.</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 The CBRC introduced Basel</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>III capital requirement in China so that Basel III related regulations are in place. The regulation is now in the transitional period and will be fully implemented by 2019. 【CSRC】 The CSRC will strengthen monitoring over private funds' counterparty risks through improving the registration and filing system of private funds.</p> <p>Highlight main developments since last year's survey: Please refer to the above section. (the change of the response to this section was mainly due to the change of the question. Last year's question was mainly related to BCBS rules and standards, but this year it also includes IOSCO's documents)</p> <p>Web-links to relevant documents:</p>	

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III. Securitisation					
5 (5)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) <p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s <i>Unregulated Financial Markets and Products (Sep 2009)</i>, including justification for any exemptions to the IOSCO recommendations; and BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf. <p><i>Jurisdictions may also indicate progress in implementing the recommendations of the IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012).</i>³</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>The PBC, CBRC and MOF formulated and promulgated the PBC Announcement No.127 [2012] to regulate the risk retention of the underlying assets by credit asset-backed securitization sponsors. The PBC and CBRC promulgated the PBC and CBRC Announcement No.21 [2013] to improve the risk retaining rules.</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

³ Jurisdictions should not provide responses on IOSCO recommendations concerning the alignment incentives associated with securitisation (including risk retention requirements) since these will be covered by an IOSCO peer review in 2014.

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				cView/4D31C26E2CD342AA8B0CD70754394621.html	

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6 (6)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum’s consultative document on Mortgage insurance: market structure, underwriting cycle and policy implications (Feb 2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> In China there are no monoline products.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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7 (7)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	<p>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 product.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: March 15, 2013 (CSRC)/ 1 December, 2005(CBRC)</p> <p>Short description of the content of the legislation/ regulation/guideline: 【CBRC】 The CBRC issued The China Banking Regulatory Commission Order No.3 [2005] to formulate the qualification, investment limitations and risk control requirements of the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>investment institutions. 【CSRC】 Specifications for OTC Business of Securities Firms was released by the SAC on December 21, 2012, providing for compliance management and risk management of OTC businesses. On March 15, 2013, the SAC released Specification for OTC Financial Derivatives Business of Securities Firms and Guidance on Risk Management of OTC Financial Derivatives Business of Securities Firms to strengthen supervision of OTC derivatives business of securities firms. The Provisions on the Administration of Asset Securitization Services of Securities Firms was released by the CSRC On March 15, 2013 requires the originator and underwriter to provide detailed information on the underlying assets and structure of the transaction to facilitate investors to make investment decisions. 【CIRC】 A regulation (see web link) was issued in 2012 to permit insurers investing in some high quality structured products with prudence.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.cbrc.gov.cn/govView_FDE9B2BBC6D7482FA363C0754251572B.ht</p>	

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				ml http://www.csrc.gov.cn/pub/zjhpublic/G00306201/201303/t20130315_222337.htm http://www.circ.gov.cn/web/site0/tab5225/info224571.htm	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (8)	Enhanced disclosure of securitised products	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)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>The CBRC promulgated the CBRC Announcement No.23 [2008] to enhance the information disclosure.</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: March 15, 2013 (CSRC)/ 4 February, 2008 (CBRC)</p> <p>Short description of the content of the legislation/ regulation/guideline: 【CBRC】 The CBRC issued The China</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>Banking Regulatory Commission Order No.3 [2005] to regulate information disclosure, safeguard the legal rights of investors, ensure a smooth progress of the pilot asset-backed securities. 【CSRC】 The Provisions on the Administration of Asset Securitization Services of Securities Firms requires the originator and underwriter to provide detailed information on the underlying assets.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/20080226A5FAF86C984988EAF85A4A4AF3C1F00.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Enhancing supervision					
9 (9)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.⁴</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (see "short description" below)</p> <p>Status of progress :</p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: Supervisory Guidelines for the D-SIBs in China: not known yet</p> <p><input checked="" type="checkbox"/> Draft published as of: RRP: BOC and ICBC's RRP's under review or being developed.</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: Consolidated supervision: will be completed this year.</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of:</p>	<p>Planned actions (if any): 【PBC】 Based on the work done by G20 and FSB in regards of SIFIs and the circumstances of China, the PBC, together with the relevant authorities, will tighten the regulatory requirements, set up orderly resolution and liquidation arrangements properly. The PBC will also further explore on strengthening macro prudential regulation on SIFIs, including development and improvement of dynamic differentiated reserve requirement, countercyclical capital buffer, and capital surcharge, etc.</p> <p>【CBRC】 The CBRC will continue to enhance the intensity and efficiency of supervision of SIBs, improve the development of resolution regime, and strengthen the cross border supervision cooperation.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

⁴ The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>LAC: January 1, 2013; Higher supervisory standards: on an on-going basis;</p> <p>Short description of the content of the legislation/ regulation/guideline: 【PBC】 1. Based on the end-2012 data, Bank of China (BOC) and Industrial & Commercial Bank of China Limited (ICBC) were classified as G-SIBs, both allocated in the Bucket I, corresponding loss absorbency requirement was 1%. According to end-2011 data, Ping An Insurance (Group) Company of China was classified as G-SIIs, will be subject to Basic Capital Requirements (BCR) and Systemic Risk Management Plan (SRMP), and also need to establish CMGs, develop recovery and resolution plans as well. 2. The PBC, together with the relevant authorities, based on the work done by G20 and FSB in regards of SIFIs, and the circumstances of China, is taking measures to develop the identification standards and assessment framework for D-SIFIs, properly tighten the regulatory requirements, and set up orderly resolution and liquidation arrangements. 【CBRC】 Currently, as a joint effort with PBC, the CBRC is drafting the Supervisory Guidelines for the D-SIBs in China, setting out</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>assessment methodology for D-SIBs and relevant capital and resolution requirements. 【CIRC】 The CIRC is following the IAIS' instruction on implementing consolidated supervision and regulation of G-SII (China Ping An) now. other actions: 【CBRC】 1. LAC: The Capital Rules for Commercial Banks (provisional) became effective January 1, 2013, which sets up the requirement of additional capital surcharge for GSIBs and DSIBs in China. 2. Higher supervisory standards: The CBRC has done lots of work to enhance the supervision of GSIBs in China, such as increasing the standards of supervisory indicators, strengthening the off-site supervision and on-site inspection, requiring GSIBs in China to take measures to strengthen the IT infrastructure and data aggregating capability. The CBRC is also drafting an internal handbook for China GSIBs supervision, which sets up higher supervisory standards for GSIBs in China. 3. Cross-border cooperation: The CMGs for GSIBs in China have been established. The CBRC holds Supervisory College for each GSIB in China every year or if it's necessary. 4.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>RRP: The recovery plan for BOC has been completed and has been reviewed by the CMG of BOC; the resolution plan for BOC is under development. The recovery and resolution plan for ICBC are both under development. 5.</p> <p>Consolidated supervision: The CBRC pays great attention to the consolidated supervision of SIBs in China, the Guidelines on Consolidated Banking Supervision is under modifying, which will be finished this year.</p> <p>Highlight main developments since last year's survey: 【CIRC】 The CIRC is following the IAIS' instruction on implementing consolidated supervision and regulation of G-SII (China Ping An) now. 【CBRC】 Currently, as a joint effort with PBC, the CBRC is drafting the Supervisory Guidelines for the D-SIBs in China, setting out assessment methodology for D-SIBs and relevant capital and resolution requirements. (also refer to the above section)</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>10 (10)</p> <p>(10)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Please indicate whether supervisory colleges for all significant cross-border firms (both banks and insurance companies) have been established and whether the supervisory colleges for G-SIFIs are conducting rigorous risk assessments.</p> <p>Principle 13 of BCBS <u>Core Principles for Effective Banking Supervision</u> and <u>Good practice principles on supervisory colleges (Oct 2010)</u> may be used as a guide for supervisor to indicate the implementation progress. For further reference, see the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • <u>Core Principles for Effective Banking Supervision (Sep 2012)</u> <p>IAIS :</p> <ul style="list-style-type: none"> • <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u> • <u>Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</u> <p>IOSCO:</p> <ul style="list-style-type: none"> • <u>Principles Regarding Cross-Border</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (see "short descriptions" below)</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: please refer to the following details</p> <p>Short description of the content of the legislation/ regulation/guideline: 【CBRC, etc】 The CBRC has established a supervisory college mechanism for large banks in China ; Every year, the CBRC will hold supervisory colleges according to our</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p><i>Supervisory Cooperation (May 2010)</i></p>	<p>supervisory judgement. The colleges will discuss the risk assessment of the whole bank group and also the host supervisors' assessments of the bank's local institutions. The core colleges will focus on some specific topics and/or risks the bank may confronted. Moreover, the Financial Supervisory Coordination College was established in August, 2013. This college includes PBOC、CBRC、CSRC、CIRC and SAFE. It focuses on coordination between:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Monetary Policy and Financial Regulatory policy; <input type="checkbox"/> financial regulatory policy and laws, <input type="checkbox"/> financial stability maintaining and regional risk prevention; <input type="checkbox"/> cross-sector financial products and financial innovation; <input type="checkbox"/> Financial information sharing and financial comprehensive statistics. It organises the regular meeting or extraordinary meeting, and coordinate college members to implement agreed matters. <p>Highlight main developments since last year's survey: The CIRC was invited to Hong Kong to attend supervisory colleges</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				targeting on AIA and AXA.CIRC will also organise an Asian insurance supervisors forum in July 2014. Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (11)</p> <p>(11)</p>	<p>Supervisory exchange of information and coordination</p>	<p>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)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>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.</p> <p>Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>see below</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 The Banking Supervision Law provides that the CBRC establishes supervisory information sharing mechanisms with the PBC and other domestic regulatory authorities and the</p>	<p>Planned actions (if any): 【CBRC】</p> <p>The CBRC will continue improving the coordination with supervisors in other countries, and enhancing the effectiveness of supervisory colleges.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>CBRC may establish supervisory cooperation mechanisms with supervisory authorities in other countries for cross border supervision purposes. The CBRC maintains regular contacts with domestic and overseas supervisors to share information regarding supervised banks and the CBRC requires that such shared information should be used for supervisory purposes and should be treated as confidential. other actions:</p> <p>【CBRC】 Up to date, the CBRC had entered into 56 MOUs with overseas supervisors covering roles as both home and host supervisor. In cases where MOUs have not been established, information sharing arrangements may be ad-hoc or based on an exchange of letters. The CBRC has established a supervisory college mechanism for the 5 largest banks in China for extensive sharing of information between host and home supervisors as well as supervisors and Banks' management. Since now, the CBRC has already launched supervisory colleges for ICBC, BOC, CCB and BOCOM.</p> <p>Highlight main developments since last year's survey: 【CIRC】 The CIRC has signed several bilateral MoUs with some</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				jurisdiction authorities and similar arrangements will continue. Also refer to the short discription. Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Strengthening resources and effective supervision	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)	No information on this recommendation will be collected in the current IMN survey since a peer review is taking place in this area during 2014.		
(12)		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)			
(12)		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)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>legislation/ regulation/guideline: 【PBC】 The establishment of the Joint Ministerial Conference on Financial Regulatory Coordination. other actions: 【PBC】 1. Setting up the Countercyclical Macro adjustment Mechanism. For example, the PBC introduced the dynamic adjustment on differentiated reserve ratio in 2011. 2. Monitoring and assessment of systemic risks. The PBC has published China Financial Stability Report annually, monitored the risks across sectors, markets and borders, and of key industries and areas, and carried out the on-site assessment of financial institutions and financial stability stress testing. 3. Enhancing supervision on SIFIs. The PBC and other authorities have been studying on the identification standards and assessment framework for D-SIFIs. They have established the Crisis Management Group (CMG) for Bank of China (BOC), and the resolvability assessment was launched at the end of 2013. Moreover, in order to strengthen financial regulatory coordination and guarantee the sound operation of the financial sector, the Joint Ministerial Conference on Financial Regulatory</p>	<p>resolution planning. 4. The role of the inter-ministerial coordination mechanism for financial regulation will be tapped to strengthen risk monitoring and regulatory coordination in cross-sectoral and cross-market financial products, to promote balanced development of various financial markets and products, and to establish a comprehensive financial statistical system and information-sharing mechanism. 【CBRC】 China would improve monitoring and assessment on inter-linkages of financial system, linkage between macro economy and financial system and cross-border economic and financial interconnectedness; strengthen risk monitoring in key areas and crucial links, such as local government financing platform, real estate market, off-balance sheet business of commercial banks and non-financial institutions with financial functions, private lending, etc.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Coordination was established on August 15,2013, upon the approval of the State Council. Led by PBC, the Joint Ministerial Conference is composed of the PBC, CBRC, CSRC and SAFE.</p> <p>【CBRC】 The CBRC continuously strengthens and improves systemic risk monitoring and assessment. Since 2006, the 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. Meanwhile, the CBRC keeps strengthening on the systemic risks earning warning system framework. Efforts have been made to improve stress tests, implementing both bottom-up and top-down regular stress tests.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>14 (14)</p> <p>(14)</p>	<p>Enhancing system-wide monitoring and the use of macro-prudential instruments</p>	<p>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)</p> <p>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)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other public reports, where available) the types of systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).</p> <p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011), and the IMF staff papers on Macroprudential policy, an organizing framework (Mar 2011) and on Key Aspects of Macroprudential policy (Jun 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (see "short descriptions" below)</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: Measures were put in place in the past 3 years separately. Now the work is finished and Chinese will continue improve the practices in the future.</p> <p>Short description of the content of the legislation/ regulation/guideline: 【PBC】 In early 2011, the PBC</p>	<p>Planned actions (if any): 【PBC】 The PBC will dynamically modulate the parameters of the differentiated reserve requirement instrument, according to the developments in the domestic and international economic and financial situations, the soundness of financial institutions and their records in implementing credit policy. In view of the changes in economic and financial development, the PBC may consider extending the coverage of macro-prudential policy framework to more types of credit and asset expansion. China would also improve monitoring and assessment on inter-linkages of financial system, linkage between macro economy and financial system and cross-border economic and financial interconnectedness; strengthen risk monitoring in key areas and crucial links, such as local government financing platform, real estate market, off-balance sheet business of commercial banks and non-financial institutions with financial functions, private lending, etc.</p> <p>【CBRC】 China would enrich and supplement macro-prudential instruments and measures, set up counter-cyclical capital buffer to China’s banking sector,</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>introduced a macro-prudential policy instrument—the “dynamic adjustment of the differentiated reserve requirement” (DDRRR). This measure is used based on the extent to which the growth of bank lending diverges from the level needed for the economic development, also considering the systemic importance and soundness of different financial institutions. It is aimed at guiding and encouraging financial institutions to perform soundly and to contain the pro-cyclical credit expansion. In the past three years, the PBC continued to use DDRRR as a way to strengthen macro-prudential management. Based on the domestic and global economic and financial developments, the soundness of financial institutions, and the implementation of credit policy, the PBC calibrated the parameters of the differentiated reserve requirement to guide stable and reasonable credit growth and to improve the resilience of financial institutions. 【CBRC】 The CBRC issued the Rules on Leverage Ratio for Commercial Banks in June 2011. The minimum standard for leverage ratio is 4%, which is 1 percent higher than BCBS standard. The D-SIBs are required to</p>	<p>strengthen coordination between various instruments, establish risk resolution and liquidation arrangements for SIFIs, set up deposit insurance scheme as soon as possible.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>meet the minimum standard by the end of 2013 while other banks are required to meet the minimum standard by the end of 2016. In June 2012, the CBRC issued the Capital Rules for Commercial Banks (Provisional) to implement Basel II and III. other actions: 【PBC】 The PBC, together with other authorities, continuously strengthens and improves systemic risk monitoring and assessment. A financial stability monitoring indicators system covering macro-economy, financial markets, banking, securities and insurance sectors in China has been established, and the scope of monitored entities has been gradually expanded to credit guarantee institutions, pawn houses, micro-credit companies and private lending. Since 2011, the PBC has explored to conduct on-site assessment on resilience of financial institutions and stress testing on 17 major commercial banks, further improving the effectiveness of assessment methodology.</p> <p>【CBRC】 Since 2003, the CBRC has made great efforts to mitigate systemic risk of the banking system by implementing macro prudential tools and enhancing banking supervision: First, the CBRC issued the Rules on Leverage</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Ratio in June 2011. The minimum standards for leverage ratio is 4% for all banks but with different transition period (large banks end-2013; others end-2016). Secondly, the CBRC has already implemented the 1% capital surcharge for large banks. The CBRC has also enhanced its consolidated supervision to control the risk of banking groups. In addition, according to the A framework for Dealing with Domestic Systemically Important Banks issued by the BCBS, the CBRC, along with other authorities, is drafting the Supervisory Guidelines for the D-SIBs in China, setting out assessment methodology for D-SIBs and relevant capital surcharge and resolution requirements. Third, the CBRC, along with other authorities, is currently drafting the Supervisory Guidelines for Countercyclical Capital Buffer for Commercial Banks, setting out the policy framework for activating and releasing countercyclical capital buffer. Fourth, the CBRC required banks to increase their provisioning coverage ratio to 150 percent by the end of 2009. Fifth, the LTV limit has been adjusted several times in recent years, given rapidly rising housing prices. Currently the LTV limit</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				for first home mortgages is 70% and that for second home mortgages is 40%. Highlight main developments since last year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (15)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Please describe the institutional framework through which information sharing between supervisors and the central bank takes place, e.g. through internal or inter-agency committee or bilateral MoUs. Please also describe any initiative to remove identified obstacles to enhance cooperation and information sharing.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: (see "short descriptions" below) Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: Short description of the content of the legislation/ regulation/guideline: other actions: 【PBC】 In recent years, the PBC, the CBRC, CSRC and CIRC have been working closely in dealing with major issues concerning financial reform and innovations, cross-sector businesses,	Planned actions (if any): 【PBC】 In the next step, the joint ministerial conference will perform its duties under the leadership of the State Council, and enhance the institutionalized regulatory coordination. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>etc. The cooperation in policy making, licensing, on-site examination, and information exchange has improved significantly over these years, and this is also the case for the coordination among fiscal, monetary and regulatory policies. In August 2013, an Inter-agency Financial Coordination Meetings was established authorized by the State Council , including PBC, CBRC, CSRC, CIRC and SAFE, and if necessary, the National Development and Reform Commission, Ministry of Finance and other relevant departments will be invited to take part in the conference. The Meeting focuses on financial regulatory and supervisory issues. The secretariat of the Meeting mechanism is located in the PBC.</p> <p>Highlight main developments since last year’s survey: 【PBC】 Since the establishment of the financial regulatory coordination regime, relevant authorities have made great efforts to set up financial regulatory information sharing and comprehensive financial statistics mechanism, normalize the development and supervision of internet-based finance, regulate inter-bank business, and improve local financial regulation system.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>【CIRC】 A fixed communication channel was established between the PBC and the CIRC.</p> <p>Web-links to relevant documents: www.pbc.gov.cn/publish/english/955/2013/20130827145946707624426/20130827145946707624426_.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16	Enhancing regulation and supervision of CRAs	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)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed :	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:
(16)		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.	Jurisdictions may also refer to the following IOSCO documents:	<input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: The CSRC conducted on-site inspection on all credit rating agencies in business in the capital markets.	Planned actions (if any):
(16)		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.	<ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 	<input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: March 19, 2012	Expected commencement date:
(16)		The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)		Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: March 19, 2012	Web-links to relevant documents:
(16)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)		Short description of the content of the legislation/ regulation/guideline: 【CSRC】 Entities that provide credit	
(New)		We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>rating services in the securities market have always been subject to strict regulation of CSRC, which is provided by the Securities Law. In August 2007, CSRC issued the Interim Measures for the Administration of the Credit Rating Business in the Securities Market, which clarifies requirements for licensing and business rules of credit rating agencies. On March 19, 2012, the Securities Association of China (SAC) issued the Code of Conduct of Credit Rating Agencies in Securities-related Businesses, and has exercised self-regulation over credit rating agencies ever since.</p> <p>Highlight main developments since last year's survey: 【PBC】 PBOC formally qualified CCRC, the first CRA in China operating by investor-paying business model, as one of the credit rating service providers for inter-bank bond market, aiming to improve practice level through enhancing market competition in the credit rating industry. PBC held the coordination mechanism conference for credit bonds, involving NDRC and CSRC. The regulatory authorities decided to enhance the requirement of credit rating in bond market jointly, and further</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regulate the credit rating practice standards. 【CSRC】 New agencies were approved to the credit rating industry in April 2014, and benign competition among such agencies is encouraged by the CSRC.</p> <p>Web-links to relevant documents: http://www.csrc.gov.cn/pub/zjhpublic/G00306225/201404/t20140430_248181.htm</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	Reducing the reliance on ratings	<p>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)</p> <p>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)</p> <p>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)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that</p>	No information on this recommendation will be collected in the current IMN survey since the report of the second stage of the thematic peer review has been published recently [insert link whenever published].		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(New)		<p>would enhance transparency of and competition among credit rating agencies. (Los Cabos)</p> <p>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)</p>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (18)	Consistent application of high-quality accounting standards	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)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>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/Jurisdiction-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: Jan 1, 2007</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【MOF】 Since 2006, the MOF, the CBRC, the CIRC and CSRC issue the relevant Regulations on the application of the ASBEs in the listed companies and</p>	<p>Planned actions (if any): 【MOF】 The MOF initiated a series of revision projects to the ASBEs in 2012, issuing 7 exposure drafts concerning major accounting standards, including consolidated financial statements, long-term investment, investment in associates, disclosure of interests in other entities, fair value measurement, financial instrument presentation and employee benefits. The projects are aimed at following the latest revisions taken by the IASB. In 2014, the MOF has issued these 7 accounting standards, keeping the continuous convergence between the ASBEs and the IFRSs. 【CSRC】 To ensure continuous convergence with the IFRS, the MOF released seven Standards in 2014, including ASBE No. 2 - Long-term Equity Investment (revised), ASBE No. 9 - Employee Compensation (revised), ASBE No. 30 - Presentation and Disclosure of Financial Reports (revised), ASBE No. 33 - Consolidated Financial Reports (revised), and ASBE No. 39 - Fair Value Measurement, ASBE No. 40 - Joint Venture Arrangements and ASBE No. 41 - Disclosure of Equity in Other Entities. These standards will come</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>other non-listed enterprises every year. These Regulations explain the material issues that the entities should focus on when preparing the annual financial reports. China's Accounting Standards for Business Enterprises (ASBEs), established in 2006 and converged with the IFRSs, has been applied continuously and effectively by all listed companies, state-owned enterprises, financial institutions and most of the other large and medium-sized enterprises in China since January 1, 2007. 【CSRC】 Authorities including the MOF have been working on the ASBEs and maintaining its convergence with the IFRS since 2013, major developments include :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Accounting Standards for Small Enterprises was implemented on Jan 1, 2013, setting out requirements for accounting recognition, measurement and reporting; <input type="checkbox"/> Interim ASBEs was published in September, 2013 by the MOF for public consultation, and was officially released in Jan 2014, to provide solutions to application of accounting standards ; and <input type="checkbox"/> from 2013, relevant authorities have proactively participated in amending and discussions on IFRS organized by the 	<p>into effect on July 1, 2014.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/gongzuodongtai/index_4.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201401/t20140128_1040392.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201401/t20140128_1040393.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201401/t20140129_1040561.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201402/t20140220_1045209.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201402/t20140220_1045206.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/gongzuotongzhi/201402/t20140220_1045210.html</p> <p>http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201403/t20140319_1057127.html</p> <p>http://www.casc.gov.cn/casc/zhence/quan</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>IFRS Board, regarding contents including conceptual framework, leasing, insurance contracts and biological assets.</p> <p>【CIRC】 Since 2006 the MOF and CIRC have issued new insurance accounting rules together following the IFRS.</p> <p>Highlight main developments since last year's survey: See above.</p> <p>Web-links to relevant documents: http://www.casc.gov.cn/kjfg/201211/t20121113_605945.htm http://www.casc.gov.cn/2010/0419/92948.shtml http://www.casc.gov.cn/casc/dongtai/</p>	wen/

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (19)</p> <p>(19)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u> • <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: Jan 1, 2007</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【MOF, etc】 According to the Roadmap for Continuous Convergence of the ASBEs with the IFRSs (Roadmap), China introduced the IFRS13 Fair Value Measurement published by IASB in 2011, and issued the Exposure Draft on</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>【MOF】 Consideration has been given to the latest development of the IFRS in regard to fair value measurement and financial instruments in the ongoing revision of the ASBEs by the MOF. The standard-setter and market regulators will ensure the smooth and effective implementation of the revisions through various measures. In Jan. 2014, the MOF has issued the Accounting Standard for Business Enterprises No. 39- Fair Value Measurement. 【CSRC】 In the next stage, CSRC will develop specific disclosure requirements on fair value measurement and financial instruments, in order to guide listed companies to sufficiently disclose valuation techniques and detail the assumptions and data inputs used in the pricing model. CSRC will strengthen the regulation of asset appraisal firms so as to enhance the quality and their appraisal reports and services. CSRC will also urge the firms to strictly abide by relevant rules, standards and procedures, in order to derive the fair value.</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Fair Value Measurement in May 2012, in order to keep the continuous convergence of the ASBEs with the IFRSs on Fair Value Measurement. The MOF, the CBRC and the CSRC require listed companies to put in place a decision-making mechanism concerning fair value accounting, adopt fair value measurement models in a prudent and moderate manner, and fully disclose the methodology of fair value measurement, assumptions of valuation and the principles for choosing main parameters. In terms of fair value measurement of financial instruments, the MOF, the CBRC and the CSRC require listed companies to choose related parameters strictly according to the requirements of the ASBEs and fully disclose relevant information when using valuation models to calculate the fair value in subsequent accounting. 【CIRC】 CIRC introduced fair value accounting in 2007. If the data or modelling needed to support the valuation is weak, CIRC required insurers to value related financial instruments in a prudent manner.</p> <p>Highlight main developments since last year's survey: 【MOF (CSRC) Drawing from trends in the IFRS, the</p>	<p>Planned actions (if any): In the 2nd half of 2013, China will issue the fair value measurement standard. Consideration has been given to the latest development of the IFRS in regard to fair value measurement and financial instruments in the ongoing revision of the ASBEs by the MOF. The standard-setter and market regulators will ensure the smooth and effective implementation of the revisions through various measures. In the next stage, the CSRC will develop specific disclosure requirements on fair value measurement and financial instruments, in order to guide listed companies to sufficiently disclose valuation techniques and detail the assumptions and data inputs used in the pricing model. The CSRC will strengthen the regulation of asset appraisal firms so as to enhance the quality and their appraisal reports and services. The CSRC will also urge the firms to strictly abide by relevant rules, standards and procedures, in order to derive the fair value.</p> <p>Expected commencement date: July 1, 2014</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>MOF released new accounting standards for fair value measurement on Jan 28, 2014. The standards will come into effect on July 1, 2014, specifying requirements on fair value measurement and disclosure.</p> <p>Web-links to relevant documents: http://www.casc.gov.cn/kjfg/201211/t20121113_605945.htm http://www.casc.gov.cn/2014/0128/99003.shtml</p>	<p>Web-links to relevant documents: http://kjs.mof.gov.cn/zhengwuxinxi/gongzuodongtai/index_4.html http://kjs.mof.gov.cn/zhengwuxinxi/zhengefabu/201401/t20140128_1040392.html http://www.casc.gov.cn/2014/0128/99003.shtml</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	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)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. In particular, please indicate the status of implementation of the following standards:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: According to various supervisory rules and guidelines on corporate governance, risk management, internal controls, stress tests, IT systems, etc., bank regulators assess and review bank's corporate governance, risk management, and internal controls through on-site examinations and off-site surveillance, and supervisory measures will be taken if deficiencies are identified.	Planned actions (if any): The CBRC will improve the comprehensive framework for consolidated Supervision on a continued basis. Expected commencement date: Web-links to relevant documents:
(20)		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)	<ul style="list-style-type: none"> • BCBS <i>Basel III: International framework for liquidity risk measurement, standards and monitoring (Dec 2010)</i> • BCBS <i>Principles for sound stress testing practices and supervision (May 2009)</i> 		
(20)		Regulators and supervisors in emerging markets ⁶ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's <i>thematic peer review report on risk governance (Feb 2013)</i> and BCBS <i>Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)</i>		
(20)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

⁶ Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Status of progress :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: please refer to the following details <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 Reform is being carried out on an ongoing basis. The authorities issued a series of documents, including Guidelines on Corporate Governance; Guidelines on Internal Controls; Rules on Capital Management of Commercial Banks; Guidelines on Corporate Group Lending Risk Management; Rules on Exposures to Shareholders and Other Related Parties; Guidelines on Due Diligence in the Credit Extension by Commercial Banks; Guidelines on Risk-Based Loan Classification; Rules on Liquidity Risk Management of Commercial Banks; Guidelines on Country Risk Management of Commercial Banks; Guidelines on Market Risk Management; Guidelines on Interest Rate Risk Management in Banking Book; Guidelines on</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Operational Risk Management of Commercial Banks; Guidelines on Reputation Risk Management; Guidelines for the Stress Testing of Commercial Banks; Guidelines on off-balance-sheet Business Risk Management of Commercial Banks. 【SAFE】 The SAFE is responsible for the regulation of short-term external debt and allocation of short-term debt quota to domestic Chinese-invested institutions and foreign-funded banks. The NDRC is responsible for the regulation of medium- and long-term external debt and allocation of medium- and long-term external debt quota to domestic Chinese-invested institutions and foreign-funded banks. As for the foreign-invested enterprises, the sum of the total disbursement for the medium- and long-term external debt and the outstanding balance of short-term external debt shall be controlled within the difference between the total amount of investment for the project and the registered capital, as approved by relevant authority.</p> <p>Highlight main developments since last year's survey: 【CBRC】 The CBRC released the Rules on Liquidity Risk Management of Commercial Banks in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>February 2014, which updates and revises the Guidelines on Liquidity Risk Management of Commercial Banks issued in 2009, notably introducing LCR standard of Basel III liquidity framework.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2013. Jurisdictions may also refer to the relevant IMF Financial Soundness Indicators at http://fsi.imf.org/ .	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Regulators require banks to improve asset quality, draw adequate provisions, and raise additional capital through on-site examinations and off-site surveillance. Status of progress : <input checked="" type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: CIRC: March 2013; CBRC: several rules and regulation were completed seperately. Short description of the content of the legislation/ regulation/guideline:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>【CBRC】 CBRC's documents include:</p> <ul style="list-style-type: none"> <input type="checkbox"/>Guidelines on Risk-Based Loan Classification of Commercial Banks; <input type="checkbox"/>Guidelines on Loan Loss Provisioning of Commercial Banks; <input type="checkbox"/>Rules of Capital Management of Commercial Banks <input type="checkbox"/>Guidelines on Capital Management of Commercial Banks <input type="checkbox"/>Guidelines on Capital Management of Commercial Banks on Capital <input type="checkbox"/>Guidelines on Capital Management of Commercial Banks on Capital preferred shares by commercial banks <p>【CIRC】 The CIRC issued Administrative Measures on Insurers' Subordinated Term Debt in March 2013 to help supplement insurance companies' capital.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>22 (22)</p> <p>(New)</p>	<p>Enhanced risk disclosures by financial institutions</p>	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 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 (Aug 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2013/07/19</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 CBRC raised supervisory requirements on information disclosure of commercial banks' capital composition</p> <p>【CIRC】 CIRC requires insurers provide enhanced risk disclosure in their reporting including solvency status and</p>	<p>Planned actions (if any): 【CBRC】</p> <p>The CBRC is aware of the developments of the revision of Pillar III requirements conducted by BCBS, part of which may overlap with EDTF. We'll closely monitor the relevant developments and make improvements accordingly.</p> <p>Expected commencement date: 2016 as proposed by BCBS</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>operation situation.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.cbrc.gov.cn/chinese/files/2013/39FECDE76C424AA1B8D81375D63FA4DF.pdf http://www.circ.gov.cn/web/site0/tab5224/info130893.htm</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (23)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those who do not have one) • Full implementation of the Core Principles for Effective Deposit Insurance Systems jointly issued by BCBS and IADI in June 2009 (by addressing the weaknesses and gaps identified in peer review) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (24)	Enhancing market integrity and efficiency	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)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Possibilities of the prevalence of high-frequency trading in China are still low due to the T+1 settlement mechanism in the A-share market and various taxes and fees applicable. Making profits through frequent trading is difficult given the relatively high trading costs. Besides, 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 of by the State Council". The article practically excludes possibilities of stocks being traded on alternative trading systems similar to dark pools on European and American markets.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p>	<p>Planned actions (if any): 【CSRC】 CSRC will, depending on the need of innovation and development of the market, closely monitor the implications of innovative trading methods, including high frequency trading and dark pool trading, on China’s markets, improve regulation on a timely basis so as to ensure the integrity and efficiency of the market. Taking into consideration realities of the capital markets, the CSRC will work on relevant regulatory documents to provide for program trading to ensure market equity and efficiency.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<input type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of: Short description of the content of the legislation/ regulation/guideline: Highlight main developments since last year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>25 (25)</p> <p>(New)</p>	<p>Regulation and supervision of commodity markets</p>	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>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).</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the report published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1999, when the Interim Regulations for the Administration of Futures Trading was promulgated by the State Council, and 2007, when the Regulations for the Administration of Futures Trading was promulgated and 2012, when the Regulations for the Administration of Futures Trading was amended.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 The Interim Regulations for</p>	<p>Planned actions (if any): 【CSRC】 CSRC will further improve the disclosure system of the futures market pursuant to requirements for greater transparency.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the Administration of Futures Trading provides that: illegal activities including fraud, insider trading and manipulation are forbidden in futures trading; futures exchanges shall institutionalize risk management systems including margins depositing, daily 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. The Regulations for the Administration of Futures Trading further provides that futures exchanges shall institutionalize mark-to-market systems. The above-mentioned provisions remain unchanged when the document was amended in 2012. Pursuant to the Interim Regulations for the Administration of Futures Trading, the CSRC issued the Measures for the Administration of Futures Exchanges in 1999, and made amendments in 2007. The Regulations emphasizes speculative 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Regulations, futures exchanges shall release information including real-time quotes, open interests, ranking of turnover value, 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.</p> <p>Highlight main developments since last year's survey:</p> <p>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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 (New)	Reform of financial benchmarks	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 be deferred to the 2015 IMN survey given the ongoing policy work in this area, the reviews of interest rate and foreign exchange benchmarks during 2014, and the recent publication of IOSCO's Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (27)	Enhancing financial consumer protection	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)	<p>Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>Jurisdictions may also refer to OECD’s update report including the Annex to the report on effective approaches to support the implementation of the High-level Principles based around the following three priority principles:</p> <ul style="list-style-type: none"> • <i>Disclosure and transparency</i> • <i>Responsible business conduct of financial services providers and their authorised agents</i> • <i>Complaints handling and redress</i> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see below</p> <p>Status of progress :</p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: year end of 2014 (PBC)</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: Sept. 2014(CBRC: high-level steering committee)</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: end of July 2014 (CBRC: standardized complaints handling system)</p> <p>Short description of the content of the legislation/ regulation/guideline: (Generally speaking, the PBC and</p>	<p>Planned actions (if any): 【PBC】 The PBC will draft the Handbook of On-Site Examination on Financial Institutions</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>financial regulators all took measures to protect financial consumer rights.)</p> <p>【CBRC】 In August 2013, the CBRC issued Guidelines on Banking Consumer Protection as a measure to promote fairness and transparency in banking services and products. This is the very first consumer protection regulation in China with explicit reference to financial services. The Guidelines stipulates legitimate rights for banking consumers, and clearly defines respective roles and responsibilities of banking institutions and regulatory authority. It strictly prohibits unfair, misleading or deceptive conduct or practice by banking institutions. Now the CBRC is drafting detailed rules to support implementation of the Guidelines. The CBRC also issued guidelines to discipline banks' conduct and practices in credit card, banking card as well as treating people with special needs (eg. old people, ethnic minorities and people with disabilities). Other measures include: <input type="checkbox"/></p> <p>CBRC issued internal procedures for complaints handling to address/deal with banking consumers' complaints that are not properly or satisfactorily addressed by banks. <input type="checkbox"/></p> <p>feasibility of setting up ombudsman scheme in China on a pilot basis to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>realize ADR (alternative dispute resolution). 【CIRC】 CIRC takes consumer protection as a high priority. CIRC issued several regulations and guidelines on consumer education and dispute handling system. other actions:</p> <p>【PBC】 The PBC released Provision on the Assessment of Financial Consumer Protection Work. 【CBRC】 The CBRC is also preparing for the establishment of a high-level steering committee of banking consumer protection. The committee members are composed of the top management of CBRC and major banking institutions in China that take charge of consumer protection. The committee will be responsible for directing, leading and coordinating strategic issues regarding banking consumer protection in China. With IT support, CBRC has developed a formal, standardized complaints handling system within the CBRC group (including CBRC headquarters and 36 CBRC provincial branches). This complaint handling system is to be launched soon by the end of July 2014.</p> <p>Highlight main developments since last year's survey: (also refer to the above section). 【CBRC】 In August 2013, the CBRC issued Guidelines on Banking</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Consumer Protection as a measure to promote fairness and transparency in banking services and products. The CBRC is also preparing for the establishment of a high-level steering committee of banking consumer protection. Besides, CBRC's complaint handling system is to be launched soon by the end of July 2014.</p> <p>【CIRC】 CIRC issued several regulations and guidelines on consumer education and dispute handling system.</p> <p>Web-links to relevant documents: http://www.circ.gov.cn/web/site0/tab5245/info2350859.htm</p>	

XII. Source of recommendations:

[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 \(1 November 2012\)](#)

XIII. List of Abbreviations used:

ABC : China Agricultural Bank
 ASBEs: China’s Accounting Standards for Business Enterprises
 BOC: Bank of China
 BOCOM: Bank of Communication
 CBRC: China Banking Regulatory Commission
 CCB: China Construction Bank
 CCRC: Credit Rating Company
 CIRC: China Insurance Regulatory Commission
 CSRS: China Securities Regulatory Commission
 DDRRR: dynamic adjustment of the differentiated reserve requirement
 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: the People’s Bank of China
 PRC: the People’s republic of China
 SAC: Securities Association of China
 SAFE: State Administration of Foreign Exchange