

Jurisdiction: China

2015 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. Hedge funds					
1 (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 indicate the progress made in implementing the high level principles contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009). In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2012 (the Securities Investment Fund Law) Jan 2014 (Measures for Registration of Private Fund Managers and Filing for Private Funds (Trial)) August 2014 (Interim Regulations for Administration of Private Funds)</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 Relevant laws and regulations are already in force and effective, including the Measures for</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>Registration of Private Fund Managers and Filing for Private Funds (Trial)). The amendment to the Securities Investment Fund Law was approved in December 2012. The Law 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:</p> <p>【CSRC】 Interim Regulations for Administration of Private Funds was released in August 2014. It covers areas such as 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. The Regulations provide supervision standards for private funds and set criteria for qualified investors. 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</p>	

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				<p>filing of private funds on Feb 7. The requirements were further strengthened in December 2014.</p> <p>Web-links to relevant documents:</p> <p>http://www.csrc.gov.cn/pub/zjhpublic/zjh/201408/t20140822_259483.htm</p> <p>http://www.gov.cn/flfg/2012-12/28/content_2305569.htm</p> <p>http://www.amac.org.cn/flfg/flfgwb/zlgz/385709.shtml</p> <p>Additional questions:</p> <p>1. Please indicate whether Hedge Funds (HFs) are domiciled locally and, if available, the size of the industry in terms of Assets under Management and number of HFs.</p> <p>【CSRC】 Hedge funds should get registered domestically. By the end of June 2015, the asset under management reached 1.26 trillion yuan.</p> <p>2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.</p> <p>【CSRC】 Fund managers should possess certificates. Private funds should be sold only to qualified investors, eg investors with higher risk awareness and risk-taking capabilities. For investors investing over 1 million yuan into one</p>	

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				<p>private fund, their net asset should be more than 10 million (for institutional investors) or 3 million (for individual investors), or individuals with annual income over 500 thousand in the past 3 years.</p> <p>3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. If any of these requirements are not applicable, please explain.</p> <p>【CSRC】 Hedge fund managers should abide by laws, regulations and self-disciplinary rules in the industry. Ethic requirements and code of conducts should be obeyed. Meanwhile, they are required to disclose substantial information, such as the investment of the fund, its assets and liabilities, distribution of investment profits, fees and commissions, possible conflict of interest, etc.</p> <p>4. Please describe the main challenges (where relevant) and any lessons learned in implementing this reform.</p> <p>【CSRC】 The overuse of leverage was</p>	

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				<p>one important factor that triggered the International Financial Crisis. We need to have deeper analysis of the leverage (deleverage) on market liquidity. The monitoring of the financial leverage is typical challenging due to lack of transparency.</p> <p>5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.</p>	

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2 (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><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Draft in preparation, expected publication by: December 31,2015 【CSRC】 <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input type="checkbox"/> Implementation completed as of:</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>【CSRC】 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. 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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>【CIRC】 IAIS is pushing forward the international information sharing framework and CIRC will fully participate in the framework and apply the standards of IAIS.</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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>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>	

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3 (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 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><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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:</p> <p>【CSRC】 By monitoring the registration and filing information, the CSRC is able to monitor counterparty risks.</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) and expected commencement date:</p> <p>【CSRC】 The second generation of private fund registration and filing system is developed and will continue to be improved. This could help strengthen monitoring of hedge fund counterparty risks.</p> <p>Web-links to relevant documents:</p>

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II. Securitisation					
4 (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 document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>There is no monolines in China.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>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) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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5 (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2005: The CBRC issued The China Banking Regulatory Commission Order No.3 [2005] November 2014: Regulation on Securitization of Securities Companies and Subsidiaries of Fund Management Companies</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【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) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>investment institutions. 【CSRC】 In November 2014, CSRC released Regulation on Securitization of Securities Companies and Subsidiaries of Fund Management Companies. The content of the regulation covers the types of supervised, supervision requirements, information disclosures, due diligent investigations, etc. Underlining assets of the securitization are required to be verified and consumer protection should be in place. 【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>【CSRC】 In November 2014, CSRC released Regulation on Securitization of Securities Companies and Subsidiaries of Fund Management Companies.</p> <p>Web-links to relevant documents:</p> <p>http://www.cbrc.gov.cn/govView_FDE9B2BBC6D7482FA363C0754251572B.html</p> <p>http://www.csrc.gov.cn/pub/zjhpublic/G00306201/201411/t20141121_263851.htm?keywords=</p> <p>http://www.circ.gov.cn/web/site0/tab5225/info224571.htm</p>	

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6 (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: February, 2008 【CBRC】</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>【CBRC】 During the process of registration with the CBRC, originators are required to enhance the disclosure of underlying assets, especially in the highly concentrated industries and important area. 【CIRC】 For G-SII, IAIS is now working on the regulatory framework for G-SII. The CIRC is following the IAIS' instruction on implementing consolidated supervision and regulation of G-SII</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>(China Ping An) now. For D-SII, CIRC is working on designation criteria of D-SII, and will learn from the practice of IAIS for D-SII regulation.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 1. The CBRC issued The China 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. 2. The CBRC promulgated the CBRC Announcement No.23 [2008] to enhance the information disclosure.</p> <p>【CSRC】 In November 2014, CSRC released Regulation on Securitization of Securities Companies and Subsidiaries of Fund Management Companies and a regulation on their information disclosure.</p> <p>Highlight main developments since last year’s survey:</p> <p>【CSRC】 In November 2014, CSRC released Regulation on Securitization of Securities Companies and Subsidiaries of Fund Management Companies and a regulation on their information disclosure.</p>	

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				<p>Web-links to relevant documents: http://www.cbrc.gov.cn/chinese/home/docDOC_ReadView/20080226A5FAF86C984988EAF85A4A4AF3C1F00.html http://www.csrc.gov.cn/pub/zjhpublic/G00306201/201411/t20141121_263851.htm?keywords=</p>	

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III. Enhancing supervision					
7 (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: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs. See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • 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><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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: March 15, 2013 (CSRC)/ 1 December, 2005(CBRC) <input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : January, 2013 (CBRC) January, 2014 (CBRC) December, 2014 (CBRC) <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>【CBRC】 1. Higher supervisory standards: The CBRC has done lots of work to enhance the supervision of SIBs in China, such as increasing the requirement of supervisory indicators, strengthening the off-site supervision and on-site inspection, requiring G-SIBs in</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【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】 1. 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. 2. The CBRC will continue to draft Rules on G-SIBs and D-SIBs Supervision in China. 3. The Cross-border Cooperation Agreements (COAGs) for BOC and ICBC are going to be signed this year. The resolvability assessment of the BOC and ICBC will be conducted by the CMG.</p>

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				<p>China to take measures to strengthen the IT infrastructure and data aggregation capability. The CBRC is also drafting an internal handbook for China GSIBs supervision, which sets up higher supervisory standards for GSIBs in China. 2. Cross-border cooperation: The CBRC holds Supervisory College for each G-SIB in China every year. The CMGs for G-SIBs in China have been established. 3. RRP: The RRP for BOC& ICBC have both been completed and reviewed by their CMGs; The recovery plan for ABC is under development. 4. Consolidated supervision: The CBRC pays great attention to the consolidated supervision of SIBs in China.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【PBC】 1. Based on the end-2013 data, Bank of China (BOC) , Industrial & Commercial Bank of China Limited (ICBC) and Agricultural Bank of China(ABC) 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-SIBs, will be subject to Basic Capital</p>	<p>Web-links to relevant documents:</p>

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				<p>Requirements (BCR) and Systemic Risk Management Plan (SRMP), and also need to establish Crisis Management Group (CMG), develop recovery and resolution plan (RRP) as well. Until now, the BOC, ICBC and Ping An Group have set up CMGs and drawn up RRP. 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.</p> <p>【CBRC】 1. The Capital Rules for Commercial Banks (provisional) became effective January 1, 2013, which sets up the requirement of additional capital surcharge for G-SIBs and D-SIBs in China. 2. The Guidelines on Consolidated Banking Supervision has been modified in 2014. 3. The Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator was issued in 2014.</p> <p>Highlight main developments since last year's survey:</p> <p>【CBRC】 1. The CBRC is drafting the Supervisory Guidelines for the G-SIBs</p>	

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				<p>and D-SIBs in China. 2. The Guidelines on Consolidated Banking Supervision has been modified. 3. The RRP for ICBC has been finished. The resolution plan for BOC has been finished. The CMG of ABC has been established.</p> <p>Web-links to relevant documents:</p> <p>http://www.cbrc.gov.cn/chinese/home/docView/27E97E0235134CBDBD5AD4F5AD0A4D42.html</p> <p>http://www.cbrc.gov.cn/chinese/home/docView/5E453E74F3F0468CB05F535B82466704.html</p>	

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8 (10)	Establishing supervisory colleges and conducting risk assessments	<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 G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs using, as reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principle 13 of the BCBS Core Principles for Effective Banking Supervision (Sep 2012) • Principles for effective supervisory colleges (Jun 2014) <p>IAIS :</p> <ul style="list-style-type: none"> • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges • Application paper on supervisory colleges (Oct 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: August 2013 (the establishment of the joint ministerial committee for financial regulatory cooperation)</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:</p> <p>【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 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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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: <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 checked="" type="checkbox"/> Cross financial products and financial innovation; <input type="checkbox"/> Financial sharing and financial comprehensive statistics. It organises the regular meeting or extraordinary meeting, and coordinate college members to implement agreed matters. 【CIRC】 The CIRC was invited to Hong Kong to attend supervisory colleges targeting on AIA. CIRC is the acting Chair of Asian Forum of Insurance regulators since July 2014. The Financial Supervisory Coordination College was established in August, 2013. This college includes PBOC, CBRC, CSRC, CIRC and SAFE.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>year's survey:</p> <p>Web-links to relevant documents:</p> <p>Additional questions:</p> <p>1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established. If not, please explain.</p> <p>(see above)</p> <p>2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms.</p> <p>(see above)</p> <p>3. Please indicate the frequency of meetings over the past year of the supervisory colleges (core, universal, other) for G-SIBs/G-SIIs in your jurisdiction.</p> <p>(see above)</p> <p>4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and the types of issues that have been discussed over the past year. (e.g. specific area(s) of risk, coordinated risk assessments, joint supervisory work, coordinated supervisory plans). In your response, please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.</p> <p>(see above)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>5. Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.</p> <p>None.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (11)	Supervisory exchange of information and coordination	<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 recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: MOUs are signed on multiple dates.</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>【CBRC】 1. By the end of June 2015, the CBRC has signed MOUs on bilateral supervisory cooperation or other agreements with its foreign counterparts from 63 countries and regions. 2. The CBRC set up a cross-departmental work group to hold discussions with supervisory authorities of respective countries and implement results of high-level dialogues. In addition, the CBRC</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【CBRC】 The CBRC will continue improving the coordination with supervisors in other countries, and enhancing the effectiveness of supervisory colleges.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>actively participated in high-level bilateral and multilateral meetings. 3. Coordination with the host regulatory authorities for overseas Chinese banks. 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. In 2014, the CBRC held Core Supervisory College for ICBC and BOC to strengthen information sharing and supervisory communication with counterparties in key host countries.</p> <p>【CIRC】 The CIRC is a signatory of IAIS MMoUs for information exchange among IAIS members. The CIRC has signed several bilateral MoUs with some jurisdiction authorities and similar arrangements will continue.</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 CBRC may establish supervisory cooperation mechanisms with supervisory authorities in other countries for cross</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</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
10 (12)	Strengthening resources and effective supervision	<p>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)</p> <p>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)</p> <p>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)</p>	<p>No information on this recommendation will be collected in the current IMN survey due to the recent publication of the FSB thematic peer review report on supervisory frameworks and approaches to SIBs.</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (13)	Establishing regulatory framework for macro-prudential oversight	<p>Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks¹ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the financial crisis, including over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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 checked="" type="checkbox"/> Final rule (for part of the reform) in force since: Macroprudential policy with regard to the leverage is updated by Jan, 2015; Macroprudential policy with regard to the Forward-looking Provision was published July 2011.</p> <p><input type="checkbox"/> Implementation completed as of:</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>【PBC】 In order to strengthen financial regulatory coordination and guarantee the sound operation of the financial sector,</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【PBC】 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. 1. The PBC will continue to implement and improve the dynamic adjustment system on differentiated reserve ratio, adjust timely the parameters of dynamic adjustment system as the situation develops, and continue to give full play to the dynamic adjustment on differentiated reserve ratio as a counter-cyclical instrument. 2. The PBC will strengthen assessment and monitoring of systemic risks, continue to conduct financial stability stress tests, improve the regular risk monitoring and assessment</p>

¹ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, 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>the Joint Ministerial Conference on Financial Regulatory 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. 【CBRC】 1. 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 early warning system framework. Efforts have been made to improve stress tests, implementing both bottom-up and top-down regular stress tests. 2. The CBRC's major restructuring settled in March, 2015. The CBRC explicitly identify the Prudential Regulation Bureau (PRB) to assume supervisory responsibility with regard to macroprudential policy framework. Supervisory responsibility to identify, monitor and mitigate systemic risk is also clearly stated on the mandate of the PRB. The PRB is the designated</p>	<p>system of banking, securities and insurance sectors, and enhance the on-site assessment on the soundness of financial institutions. 3. The PBC will continue to enhance supervision on SIFIs, take measures to develop the identification standards and assessment framework for D-SIFIs, and set up orderly resolution and liquidation arrangements. 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. 【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>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>macroprudential authority under the CBRC to address macroprudential issues with a variety of corrective and sanctioning powers including but not limited to warnings, recommendations, prudential tools, powers of direction etc. The PRB uses an appropriate range of techniques and tools to implement the supervisory approach and deploys adequate supervisory resources on a proportionate basis, taking into account the risk profile and systemic importance of banks. 【CIRC】 CIRC will work jointly with PBC in macro-prudential oversight.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 1. Macroprudential policy related to D-SIFI and Countercyclical capital buffer are in preparation. 2. Macroprudential policy with regard to the leverage is updated by January 2015.</p> <p>【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,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 G-SIFIs in China, and the resolvability assessments were completed. Moreover, in order to strengthen financial regulatory coordination and guarantee the sound operation of the financial sector, the Joint Ministerial Conference on Financial Regulatory 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>Highlight main developments since last year's survey:</p> <p>【CBRC】 The CBRC restructured internal department and explicitly identified the Prudential Regulation Bureau (PRB) to assume supervisory responsibility with regard to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>macroprudential policy framework.</p> <p>Web-links to relevant documents:</p> <p>Additional questions:</p> <p>1. Please describe the institutional arrangements for financial stability and macroprudential policy in your jurisdiction, including whether a macroprudential authority has been explicitly identified and the respective roles and responsibilities of the central bank and other authorities.</p> <p>【PBC】 The PBC is responsible for formulating and implementing monetary policies, guarding against and eliminating financial risks, and maintaining financial stability (Article 2 of the PBC law). At the same time, In order to strengthen financial regulatory coordination, the Joint Ministerial Conference on Financial Regulatory Coordination which led by PBC and composed of CBRC, CSRC and SAFE has been established in 2013.</p> <p>【CBRC】 The PRB is the designated macroprudential authority under the CBRC to address macroprudential issues.</p> <p>2. If a macroprudential authority has been explicitly identified in your jurisdiction, please describe its legal basis, mandate, composition, powers (warnings, recommendations,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>prudential tools, powers of direction, other) and accountability arrangements. Who provides the resources and analytical support for the authority's activities?</p> <p>【CBRC】 The PRB is authorized and designated by the CBRC with a variety of corrective and sanctioning powers including but not limited to warnings, recommendations, prudential tools, powers of direction etc. The PRB is an internal bureau under the CBRC so the CBRC provides the resources and analytical support for the PRB.</p> <p>3. Is there an inter-agency body on financial stability or macroprudential matters – distinct from the designated macroprudential authority – in your jurisdiction? If so, please describe its legal basis, mandate, composition, powers and accountability arrangements. Who provides the resources and analytical support for its activities?</p> <p>【CBRC】 YES. There is state council level mechanism on financial stability and macroprudential matters.</p> <p>4. Please describe the extent to which the macroprudential authority (or other relevant body) is able to collect information on material financial institutions, markets and instruments in order to assess potential systemic risks. In your response, please indicate whether the authorities</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>involved in systemic risk monitoring have specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purposes, and whether there exist dedicated information gateways (e.g. Memorandum of Understanding) to share such information among relevant authorities.</p> <p>【CBRC】 The PRB has adequate resources to collect information on material financial institutions, markets and instruments in order to assess potential systemic risks. The PRB has specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purpose. There are dedicated information gateways such as formal and informal mechanism to share information in a timely basis and in an effective way.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (14)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<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 reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.</p> <p>Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) IMF staff papers on Macroprudential policy, an organizing framework (Mar 2011), Key Aspects of Macroprudential policy (Jun 2013), and Staff Guidance on Macroprudential Policy (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2011: introducing the dynamic adjustment mechanism of the differentiated reserve requirement January 2015: Rules on Leverage Ratio A framework for Dealing with Domestic Systemically Important Banks</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>【PBC】 The PBC, together with other authorities, continuously strengthens and improves systemic risk monitoring and assessment. In early 2011,the PBC introduced a macro-prudential policy instrument—the dynamic adjustment</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【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.</p> <p>【CBRC】 China would enrich and supplement macro-prudential instruments and measures, set up counter-cyclical capital buffer and conservation buffer to China’s banking sector, strengthen coordination between various instruments, establish risk resolution and liquidation arrangements for SIFIs.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>mechanism of the differentiated reserve requirement. This measure is used based on the extend 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. 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. In 2014, the PBC has continued to conduct on-site assessment on resilience of financial institutions and stress testing on 28 major commercial banks and 10 typical securities companies respectively, 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>CBRC modified the Rules on Leverage Ratio in January 2015. The minimum standards for leverage ratio is 4% for all banks but with different transition period (large banks April-2015; others end-2016). Secondly, the CBRC has already implemented the additional capital surcharge for SIBs in China. 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.</p> <p>【CIRC】 CIRC will work jointly with PBC and other authorities on system-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>wide monitoring and macro-prudential instruments.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 1. The CBRC modified the Rules on Leverage Ratio for Commercial Banks in January 2015. 2. In June 2012, the CBRC issued the Capital Rules for Commercial Banks (Provisional) to implement Basel II and III. 3. The CBRC modified the Guidelines on Consolidated Banking Supervision in 2014.</p> <p>Highlight main developments since last year’s survey:</p> <p>【PBC】 The dynamic adjustment mechanism of the differentiated reserve requirements was further improved to play an active role in counter-cyclical management and structural adjustments. The parameters of the dynamic adjustment mechanism were calibrated according to the performance of financial institutions in five respects, including: the amount of loans for micro enterprises and agriculture-related enterprises, the capital adequacy ratio, internal risk controls, the launch of new branch offices, and regional development, so that the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>mechanism can be more differentiated and targeted. Financial institutions were encouraged to keep the pace of credit extensions in line with real and seasonal demands, and to increase the proportion of lending to SMEs, agriculture-related enterprises, businesses in the underdeveloped regions, and other key areas and weak links in the economy, so as to support the appropriate growth of credit and development of the real economy. 【CBRC】 The CBRC modified the Rules on Leverage Ratio for Commercial Banks in January 2015.</p> <p>Web-links to relevant documents:</p> <p>http://www.cbrc.gov.cn/chinese/home/docView/D9D9C53E6C184022A4A45ED774C91A8F.html</p> <p>Additional questions:</p> <p>1. Please describe, at a high level, the types of methodologies, indicators and reports used in your jurisdiction to identify, analyse, communicate and address systemic risks.</p> <p>【PBC】 The PBC coordinates different authorities to monitor systemic risks in the system, whereas each of the financial regulatory authority has its own risk identifying and monitoring system related</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>to their specific mandate. The results of these practices could be seen in the annual China Financial Stability Report. The PBC also lead discussions and analysis of systemic risks with other authorities on the platform of Joint Ministerial Conference on Financial Regulatory coordination since 2013.</p> <p>2. Please describe the range of policy tools (prudential and other) currently available to the authorities for macroprudential purposes.²</p> <p>【PBC】 The Chinese authorities have a wide range of tools that can be used for macroprudential purposes. For example, the PBC introduced the dynamic adjustment of differentiated reserve requirements as a key macroprudential tool in 2011. The PBC also provides window guidance that is used to guide bank lending and is adjusted on a countercyclical basis.</p> <p>3. Please indicate which tools have been deployed for macroprudential purposes over the past year, including the objective for their use and the process used to select,</p>	

² An indicative list of such tools can be found in “Macroprudential Policy Tools and Frameworks – Progress Report to the G20” by the FSB, IMF and BIS (October 2011, http://www.financialstabilityboard.org/wp-content/uploads/r_111027b.pdf); “Staff Guidance on Macroprudential Policy” (December 2014, <http://www.imf.org/external/np/pp/eng/2014/110614.pdf>) by IMF staff; and “Operationalising the selection and application of macroprudential instruments” (December 2012, <http://www.bis.org/publ/cgfs48.pdf>) by the CGFS.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>calibrate, and apply them.</p> <p>(see above)</p> <p>4. Please describe whether and, if so, how the relevant authorities assess the <i>ex ante</i> cost and benefits of macroprudential policies and their <i>ex post</i> effectiveness.</p> <p>【PBC】 The effectiveness of macroprudential policies is assessed by whether they can maintain stable credit growth and keep the financial system steady. In sum, the dynamic adjustment mechanism of differentiated reserve requirement, combined with the traditional monetary policy instruments including open market operation, adjustment of interest rate and reserve ratio etc., have played a crucial role in maintaining stable gross volume of credit, optimizing credit structure , and enhancing resilience of financial institutions.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (16)	Enhancing regulation and supervision of CRAs	<p>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)</p> <p>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.</p> <p>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.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible</p>	<p>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:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <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) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2015 【CSRC】</p> <p>Issue is being addressed through :</p> <p><input checked="" 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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【PBC】 1) PBOC has established the coordination mechanism with NDRC, CBRC, CSRC and CIRC, and carried out systematic investigation and assessment of reliance on rating in China. PBOC has drawn up an action plan to reduce the reliance on rating and submitted it to</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>FSB. 2) Directed by PBOC, CCRC is actively exploring the investor-paying business model. 3) PBOC has required that issuing asset-backed securities and asset-backed notes entails credit ratings by both models of issuer-paying and investor-paying. This requirement is aimed to enhance CRAs' performance through competition. 4) PBOC has introduced a regulatory mechanism involving both government authorities and self-regulatory organization. Directed by PBOC, NAFMII, the SRO of the interbank market, has established a credit rating committee and published guidelines of credit rating on debt instrument by non-financial company. 5) PBOC is drafting practice codes for CRAs in the bond market. 【CSRC】 China's Securities Law requires that all credit rating agencies in China should be approved by the authorities. In 2007, the CSRC issued requirement on the business and certification on CRAs. In January 2015, the China Securities Association published a industrial self-disciplinary requirement for CRAs.</p> <p>Highlight main developments since last year's survey:</p> <p>【CSRC】 1. In January 2015, the China</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Securities Association published a industrial self-disciplinary requirement for CRAs. 2. The CSRC guided the self-disciplinary organizations to publish requirements on CRA information disclosure. 3. Special on-site inspections were carried out.</p> <p>Web-links to relevant documents:</p> <p>http://www.csrc.gov.cn/pub/zjhpublic/zjh/2008/04/t20080418_14513.htm?keywords=</p> <p>http://www.sac.net.cn/tzgg/201501/t20150116_115996.html</p> <p>http://www.sac.net.cn/tzgg/201501/t20150106_114917.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (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>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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: January 2013 (Regulation of Credit Reporting Industry) and December 2013 (Administrative Measures for Credit Reporting Agencies)</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2013</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>(In China, the reliance on CRAs is very limited. Reliance mainly exists in areas of capital requirement for commercial banks, insurance and reinsurance companies, securities investment and corporate bond issuance) The Regulation</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>(Please refer to the action plan the PBC submitted to the FSB)</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<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>		<p>solved the problem of over-reliance on credit rating agencies and interest conflicts. The Administrative Measures set out rules for establishing Personal Credit Reporting Agencies, their exiting procedures and information protection policies.</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
VI. Enhancing and aligning accounting standards					
15 (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/Analysis-of-the-G20-IFRS-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2007</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>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 other non-listed enterprises every year. These Regulations explain the material issues that the entities should focus on</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>Highlight main developments since last year's survey:</p> <p>【MOF】 Since 2014, MOF and other authorities continue to improve the accounting standards. In July 23, 2014, the revision on the Basic Accounting Rules and Standards was carried out. During 2014, revisions were conducted on accounting standards related to 8 major themes such as long-term equity investment, employee's compensation, consolidated reports, fair value, etc. These standards were in effect by the end of 2014.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
16 (19)	Appropriate application of Fair Value Accounting	<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>Although not an application of fair value accounting, jurisdictions should additionally be mindful of implementation issues arising from the new accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and the FASB, and, for those jurisdictions where specific action is needed to foster transparent and consistent implementation, set out any steps they intend to take.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2007 (and later was improved continuously)</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>【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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 MOF, CBRC and CSRC asks</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>listed companies to consider their accounting practices related to fair value in a prudent way, including the selection of models and disclosure of relevant information. About the fair value of financial instruments, MOF, CBRC and CSRC ask listed companies to strictly adhere to relevant standards in selecting the parameters and release relevant information.</p> <p>Highlight main developments since last year's survey:</p> <p>【CSRC】 In July 2014, Accounting Standards related to fair value was in effect.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
17 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>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)</p> <p>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)</p> <p>Regulators and supervisors in emerging markets³ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to FSB's thematic peer review report on risk governance (Feb 2013) and the BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since : (on an ongoing basis)</p> <p><input type="checkbox"/> Implementation completed as of:</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>【CBRC】 According to various supervisory rules and guidelines on corporate governance, risk management, internal controls, stress tests, IT systems, etc., the CBRC assesses and reviews bank's corporate governance, risk management, and internal controls</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【CBRC】 The CBRC will publish LCR disclosure standard and continue to draft NSFR standard.</p> <p>Web-links to relevant documents:</p>

³ 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>through on-site examinations and off-site surveillance, and supervisory measures will be taken if deficiencies are identified.</p> <p>【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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 Reform is being carried out on an ongoing basis. The CBRC issued a series of documents, including Guidelines on Corporate Governance; Guidelines on Internal Controls; Rules on Capital Management of Commercial Banks;</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 Operational Risk Management of Commercial Banks; Guidelines on Reputation Risk Management; Guidelines for the Stress Testing of Commercial Banks; Guidelines on Consolidated Management and Supervision of Commercial Banks;</p> <p>Highlight main developments since last year's survey:</p> <p>【CBRC】 The CBRC has published Guidelines on Consolidated Management and Supervision of Commercial Banks, and approved LCR disclosure standard.</p> <p>Web-links to relevant documents:</p> <p>http://www.cbrc.gov.cn/chinese/home/docView/27E97E0235134CBDBD5AD4F5AD0A4D42.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
18 (22)	Enhanced risk disclosures by financial institutions	<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), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: February 2015: China Risk Oriented Solvency System (C-ROSS) 2007: The CBRC issued Rules on Information Disclosure of Commercial Banks 2014: The CBRC issued the Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator in 2014. Etc.</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>【CBRC】 The CBRC encouraged the financial institutions to share information including but not limited to the content of the supervisory requirements.</p> <p>【CIRC】 CIRC requires insurers to</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【CBRC】 The guidelines on information disclosure of LCR will be issued. The CBRC will continue to monitor the development of the revision of Pillar III requirements and make improvements accordingly.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>provide risk disclosure in their reporting including solvency status and operation situation. CIRC released China Risk Oriented Solvency System (C-ROSS) in February 2015, which strengthens the disclosure of the solvency status of insurers.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 1. The CBRC issued Rules on Information Disclosure of Commercial Banks in 2007. 2. The CBRC raised supervisory requirements on information disclosure of commercial banks' capital composition and leverage ratio. 3. The CBRC issued the Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator in 2014. 4. The CBRC approved the guidelines on information disclosure of Liquidity Coverage Ratio (LCR).</p> <p>Highlight main developments since last year's survey:</p> <p>The CBRC issued the Guidelines on Information Disclosure of G-SIFIs' Assessment Indicator and raised supervisory requirements on information disclosure of commercial banks' leverage ratio.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents: http://www.cbrc.gov.cn/chinese/files/2013/39FECDE76C424AA1B8D81375D63FA4DF.pdf http://www.cbrc.gov.cn/chinese/home/docView/5E453E74F3F0468CB05F535B82466704.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
19 (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 jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since : May 1, 2015</p> <p><input type="checkbox"/> Implementation completed as of:</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【PBC】 1. All the banking institutions that take deposits in China shall apply for the deposit insurance and become the insured financial institutions. 2. Insured deposits shall cover both Renminbi deposits and foreign currency deposits placed with the insured financial institutions. The deposits placed by</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【PBC】 As the next step, more implementation rules and guidance will be issued to ensure the stable operation of the deposit insurance system in China.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>financial institutions, senior managers of the insured financial institutions as well as deposits specified by the Deposit Insurance Fund Management Authority shall not be covered. 3. The deposit insurance system shall compensate the depositors up to the maximum compensation limit, which shall be 500,000 RMB yuan per depositor per insured financial institution. 4. The deposit insurance premium rates shall be composed of the basic premium rate and risk-based premium rate. 5. The deposit insurance fund should be ex-ante established, composed mainly of premiums collected from the insured financial institutions. 6. If necessary, the Deposit Insurance Fund Management may take such actions as on-site verification, risk warning and prompt corrective measures against insured financial institutions. 7. The pay-out to depositors should be fast. The Deposit Insurance Fund Management Agency may utilize the deposit insurance fund to provide financial support to other qualified insured institution, including guarantee, loss-sharing or other financial assistance, to facilitate its purchase or assumption of part or all the assets,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>liabilities and business of financial institutions that the charter has been revoked, the receiver has been appointed and the bankruptcy application to the court has been made.</p> <p>Highlight main developments since last year's survey:</p> <p>【PBC】 Since May 1, 2015, the People's Republic of China's Deposit Insurance Regulations has been in force.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
20 (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"> • Regulatory issues raised by changes in market structure (Dec 2013) • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011) • Report on Principles for Dark Liquidity (May 2011). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>【CSRC】 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"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【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>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>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>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (25)	Regulation and supervision of commodity markets	<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 update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation 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>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>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CSRC】 The Regulations for the Administration of Futures Trading provides that: illegal activities including</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. Pursuant to the Interim Regulations for the Administration of Futures Trading, the CSRC issued the Measures for the Administration of Futures Exchanges. 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 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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:</p> <p>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
22 (26)	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 continue to be deferred given the forthcoming FSB progress report on implementation of the FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
23 (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 September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: Later 2015</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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input checked="" 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>【CBRC】 CBRC has released Assessments on Consumer’s Right Protection of Financial Institutions and taken actions to safeguard the financial and information security of the financial consumers. 【CSRC】 The State Council released an opinion on strengthening the protection of middle and small investors in the capital market. The CSRC launched a “12386” hotline and started</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>【PBC, CBRC and CSRC】 The State Council is expected to publish a guideline for strengthening financial consumer protection later this year. Relevant authorities will work in their respective areas to beef up financial consumer protection.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>pilot programs for investor protection in a number of areas. The complaint processing capability has been enhanced, new website was launched and new education bases were put into use.</p> <p>【CIRC】 CIRC takes consumer protection as a high priority. CIRC issued several regulations and guidelines on consumer education and dispute handling system.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>【CBRC】 CBRC is drafting Rules on Banking Consumer’s Rights Protection and suggesting amendments to Commercial Banking Law and Banking Supervision Law. Drafts are expected to be released in 2016. Rules on Banking Consumer’s Rights Protection will increase the legislation levels and efficiency of financial consumer protection. Amendments to Commercial Banking Law and Banking Supervision Law will further distinguish the different roles regulatory agencies and commercial banks play in financial consumer protection. 【CSRC】 CSRC works to improve financial consumer education to improve their awareness. Institutional arrangements were strengthened and new</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>complaint processing channels were introduced.</p> <p>Highlight main developments since last year's survey:</p> <p>【CBRC】 CBRC has issued Assessments on Consumer's Right Protection of Financial Institutions and has promoted the implementation of Guidelines on Banking Consumer's Rights Protection among banking institutions.</p> <p>Web-links to relevant documents:</p> <p>http://www.circ.gov.cn/web/site0/tab5245/info2350859.htm</p>	

XI. Source of recommendations:

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

XII. List of Abbreviations used:

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|---|--|
| ABC : China Agricultural Bank | DIS: deposit insurance system |
| ASBEs: China's Accounting Standards for Business Enterprises | ICBC: Industrial and Commercial Bank of China |
| BOC: Bank of China | LTV: loan to value ratio |
| BOCOM: Bank of Communication | MOF: the Ministry of Finance |
| CBRC: China Banking Regulatory Commission | NAFMII: National Association of Financial Market Institutional Investors |
| CCB: China Construction Bank | NDRC: the National Development and Reform Commission |
| CCRC: China Credit Rating Company | PBC: the People's Bank of China |
| CIRC: China Insurance Regulatory Commission | PRC: the People's Republic of China SAC: Securities Association of China |
| CSRS: China Securities Regulatory Commission | SAFE: State Administration of Foreign Exchange |
| DDRRR: dynamic adjustment of the differentiated reserve requirement ratio | |