

Progress in the Implementation of G20/FSB Recommendations – June 2012

Jurisdiction: CHINA

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# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
1. Refining the regulatory perimeter						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. ¹	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: CBRC has issued rules to manage consumer finance companies, automobile finance companies and trust companies in recent years. Web-links to relevant documents:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
2 (11)	(Lon)	Review of the boundaries of the regulatory framework	We will each review and adapt the boundaries of the regulatory framework to keep	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of	<p>Planned actions (if any):</p> <p>The PBC will continue to improve domestic legislations on anti-money laundering.</p>

¹ For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: http://www.financialstabilityboard.org/publications/r_111027a.pdf.

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		<p>pace with developments in the financial system and promote good practices and consistent approaches at an international level.</p>		<p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: PBC is formulating regulatory rules on financial holding companies with relevant regulators, including defining supervisory agency, perfecting corporate governance, regularizing inter-group transaction, strengthening capital adequacy and risk concentration supervision etc, to fill regulation gap, avoid regulation arbitrage, enhance supervisory effectiveness, prevent cross-industry and cross-market risk.</p> <p>As China's AML authority, the PBC leads cooperation among related forces and has issued regulations and laws such as the Anti-Money Laundering Law.</p> <p>The existing laws have explicit stipulations on the regulatory responsibilities of CBRC, CSRC and CIRC. In June 2004, the CIRC signed Memorandum of Cooperation and Division Financial Regulation with the CBRC and the CSRC to set a clear</p>	<p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>regulatory mandate and responsibility of financial groups. In regards to the supervision of a financial group, the parent company comes under the jurisdiction of the corresponding regulator according to the nature of its main business, while the regulation of relevant entities and business in the financial group belongs to the corresponding regulator according to the nature of their business. With clear regulatory mandate and responsibility, the CIRC, the CBRC and the CSRC had strengthened communication and established an effective cooperation mechanism to deal with the trend of comprehensive business model of the financial industry and to avoid regulation blank area.</p> <p>Web-links to relevant documents:</p>	
(i) Hedge funds						
3 (13)	(Seoul)	Regulation (including registration) of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify:	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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	(Lon)		<p>supervision on hedge funds, ...</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.</p>		<p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	
4 (14)	(Lon)	Effective oversight of cross-border funds	We ask the FSB to develop mechanisms for cooperation and	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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			<p>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.</p>		<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Web-links to relevant documents:</p>
5 (15)	(Lon)	<p>Effective management of counter-party risk associated with hedge funds</p>	<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.</p>	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					Web-links to relevant documents:	
6 (16)	(FSF 2008)	Guidance on the management of exposures to leveraged counterparties	II.17 Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
				<input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:		
(ii) Securitisation						
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	During 2010, supervisors and regulators will: <ul style="list-style-type: none"> implement the measures decided by the Basel 	During 2010	<p>No response required for this survey.</p> <p>Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm</p>	

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			Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management and disclosure;			
			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen practices in securitisation markets. 		<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: In July 2010, the CIRC issued Notice of Interest Rate Swap Business in Insurance Institutions to allow insurance companies engage in interest rate swap and set up relevant rules and requirements. According to Article 47 of Temporary Measures on Insurance Asset Management (CIRC [2010] No. 9), insurance asset can invested in derivative transaction only for hedging purpose, but not for speculation or	Planned actions (if any): Currently, the CIRC is working on formulating relevant rules on Financial Derivatives Business in Insurance Institutions, permitting insurance companies to use proper derivative instruments to manage risks. Expected commencement date: Web-links to relevant documents:

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					leveraging. Specific measures are to be formulated by the CIRC. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	
11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: To regulate information disclosure of asset-backed securities and their underlying assets, safeguard the legal rights of investors, ensure a smooth progress of the pilot asset-backed securities, the PBC formulated and promulgated the People's Bank of China Announcement No. 14 [2005] (Rules for the Information Disclosure of Asset-backed Securities.) and the People's Bank of China Announcement No. 16 [2007].	Planned actions (if any): The CSRC will promote the use of information disclosure system in exchanges to disclose information of securitized products and underlying assets. The CSRC will also work on electronic reporting of fund contracts, marketization of fund approval process, etc. Expected commencement date: Web-links to relevant documents:

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					<p>In 2010 Nov 30, CSRC released Guideline for Pilot Programs of Asset Securitization by Securities Firms, which regulates all aspects of the information disclosure process.</p> <p>In 2012 Mar 16, CSRC published No.2 XBRL Template for Securities Investment Funds, which will enhance the information disclosure of securities investment funds and will start to come into force by 2012 May 1.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents: http://www.csrc.gov.cn/pub/newsite/jgb/gzdt/201011/t20101130_188154.htm http://www.csrc.gov.cn/pub/zjpublic/G00306201/201203/t20120330_207960.htm</p>	
2. Enhancing supervision						
12 (5)	(Pitts)	Consistent, consolidated supervision and regulation of	All firms whose failure could pose a risk to financial stability must be	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published	Planned actions (if any): Methodology for assessing systemic importance and supervisory guidelines for

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		SIFIs	subject to consistent, consolidated supervision and regulation with high standards.		<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: PBC is drafting identification standard and assessment framework for D-SIFIs with relevant sectors, which will incorporate quantitative indicator-based approach and qualitative judgment to identify D-SIFIs, as well as proposing regulatory requirement, formulating recovery and resolution plan.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>commercial banks will soon be published for public consultation.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-border firms by June 2009.	June 2009 (for establishing supervisory colleges)	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: CBRC has set up supervisory colleges for</p>	<p>Planned actions (if any): CBRC intends to hold supervisory college for another domestic bank in 2012.</p> <p>Building on existing cooperation mechanisms, the CIRC will continue to participate in joint supervision over cross-border insurance groups and play a</p>

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					<p>major commercial banks, and held the first supervisory college meeting for ICBC in 2009, BOC in 2011 and CCB in 2011 respectively.</p> <p>After the outbreak of financial crisis, based on the IAIS and bilateral cooperation agreements, the CIRC established contact with regulators in countries and regions where important financial institutions are located to timely exchange information and prevent the spillover of financial risks. At the same time, as an executive member of the IAIS, the CIRC has actively participated in formulating principles of supervision over cross-border insurance groups, which has not been finished yet. In December 2010, the CIRC invited a number of overseas insurance supervisors from home countries of the foreign-funded insurers operating in China, and conducted its first supervisory college in Beijing.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>greater role in the standard-setting of international supervision principles together with the working committees of the International Association of Insurance Supervisors.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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14 (8)	(Seoul)	Conducting risk assessments through international supervisory colleges	We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: CBRC has held 3 supervisory college meetings, through which home and host supervisors exchanged their judgments of risk profiles for ICBC, BOC, and CCB.</p> <p>The CIRC works actively with foreign regulatory agencies, and enters into various cooperative documents in order to enhance supervision over transnational insurance groups, and prevent the cross-border transmission of insurance risks. Subject to the cooperative documents as executed, CIRC will exchange supervisory and regulatory information in accordance with relevant provisions thereof.</p>	<p>Planned actions (if any): Another supervisory college will be held in 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					Web-links to relevant documents:	
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: With clear regulatory mandate and responsibility, the CIRC, the CBRC and the CSRC strengthen communication and establish an effective cooperation mechanism to deal with the tendency of comprehensive business model of the financial industry and to avoid regulation blank area. Firstly, the CIRC, CBRC and CSRC established the regulatory college system in 2003 to coordinate regulation policies, share regulation information and strengthen regulation cooperation. Secondly, the CIRC signed the Memorandum of Cooperation and Division</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Financial Regulation with the CSRC and the CBRC to set a clear regulatory mandate and responsibility of the existing financial groups. Thirdly, the CIRC and the CBRC signed Memorandum of Understand of Enhancing In-depth Bancassurance Cooperation and Regulation Cooperation, which determined the regulation cooperation between the two regulators.</p> <p>The PBC, CBRC, CSRC and CIRC have a statistical information sharing and communication system and have made great efforts to share basic data and information concerning financial stability and financial risks, fill up information loopholes and strengthen coordination on monetary policies and financial supervisory policies.</p> <p>Through MOUs and statements of cooperation on crisis management established between supervisory authorities, CBRC now has a quicker and better access to new developments of other markets and foreign institutions.</p> <p>As a member of the IAIS, the CIRC maintains favourable information exchange and cooperation relationship with IAIS members. The CIRC also executed insurance regulatory cooperation documents with the U.S. South Korea, Singapore,</p>	

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					<p>Hong Kong, Macau and Taiwan, carrying out regulatory information exchange, regularly or not regularly. Additionally, in 2005, the CIRC promoted the formation of the Asian Insurance Supervisors Forum mechanism, by which Asian insurance supervisors from Japan, South Korea, Hong Kong and Macau hold a forum once a year, conducting exchange and discussions on insurance supervision situations.</p> <p>Web-links to relevant documents:</p>	
16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: In 2010, China FSAP developed stress test of the banking sector to assess Chinese financial systemic risks. In 2011, 17 mainly</p>	<p>Planned actions (if any): The PBC will continue to improve domestic legislations on anti-money laundering.</p> <p>The CSRC will continue to improve the existing monitoring systems, make innovations with new supervisory methodology and enhance supervision effectiveness.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>commercial banks were required to participate in Chinese banking sector stress test by PBC.</p> <p>CBRC has issued the Interim Measures on Management of Working Capital Loans, the Interim Measures on management of Personal Line of Credit, the Interim Measures on Management of Fixed Assets Loans, and Guidelines on Project Finance in 2010. These measures will greatly empower CBRC to better identify and address risks of commercial banks.</p> <p>The CSRC carried on a series of work in this aspect, including establishing the custody and monitoring system of futures margins, developing a risk supervision system, setting up real name and identity requirements for opening up account in futures markets, establishing security funds for future investors and risk requirements for futures funds, promoting collective and self monitoring, and improving monitoring indicators.</p> <p>The CIRC was established and designated the supervisory power to regulate the insurance industry by the State Council in 1998. The responsibilities and authority of the insurance supervision and regulation institution are expressly provided for in</p>	

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					<p>applicable laws and relevant provisions of the State Council. Such laws as the Insurance Law, the Administrative Licensing Law and the Administrative Punishment Law require that, the insurance supervision and regulation institution must act in strict accordance with statutory procedures in carrying out relevant regulatory acts.</p> <p>CIRC has issued comprehensive regulations to introduce risk management as a fundamental part of its supervisory framework. The regulations are comprised of the Guidelines on Risk Management of Insurers (Trial Edition in 2007) and the Administrative Provisions on the Solvency of Insurance Companies (promulgated in 2008), etc.</p> <p>In the anti-money laundering frontier, the PBC will optimize the allocation of regulation and supervision resources and improve its efficiency, in line with the revised FATF recommendations.</p> <p>Web-links to relevant documents:</p> <p>The Insurance Law http://www.circ.gov.cn/web/site0/tab68/i94860.htm</p>	

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					<p>Guidelines on Risk Management of Insurers http://www.circ.gov.cn/tabid/106/InfoID/45352/frtid/3871/Default.aspx</p> <p>Administrative Provisions on the Solvency of Insurance Companies http://www.circ.gov.cn/tabid/106/InfoID/85115/frtid/3871/Default.aspx</p>	
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The CIRC is aware of the demand for highly qualified and experienced management and professional skills in the fast growth of the insurance market. The CIRC maintains high requirements for the suitability of key personnel.</p> <p>Relevant rules, such as the Administrative</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Rules on the Appointment Qualifications of Directors and Senior Managers of Insurance Companies (CIRC [2010] No.2), Administrative Measures for Chief Actuaries of Insurance Companies (CIRC [2007] No.3), Administrative Provisions on the Eligibility of Finance Managers of Insurance Companies (CIRC [2008] No.4) and the Guiding Opinions on Corporate Governance Structure of Insurance Companies specify that directors must meet qualification requirements and have the operation and management capabilities required to assume their risk positions. The Guidelines on Risk Control over Management of Insurance Funds specify that the board of directors is responsible for making major investment decisions, developing investment strategy for new investment categories, reviewing risk control system and monitoring implementation of risk control measures.</p> <p>In 11 Oct 2011, Shanghai Securities Exchange and China Securities Registration and Settlement Company issued Specific Rules for Implementing Trading, Registration and Settlement of Agreed Securities Repurchase. In 15 Nov 2011, they jointed issued Specific Rules for Implementing Trading, Registration and Settlement of Bond-Collateralized Quoting</p>	

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					<p>Repurchase. The two set clear rules for regulating and supervising innovative businesses in the industry.</p> <p>In monitoring Futures Companies, the CSRC requires that institutions can only run business approved by the CSRC. Their innovations are well under CSRC's supervision.</p> <p>Web-links to relevant documents: http://edu.sse.com.cn/cs/zhs/xxfw/flgz/temp/temp20111011a.doc</p> <p>http://www.sse.com.cn/cs/zhs/xxfw/flgz/rules/sserules/sseruler20111115a.html</p> <p>Administrative Rules on the Appointment Qualifications of Directors and Senior Managers of Insurance Companies http://www.circ.gov.cn/web/site0/tab479/i121378.htm</p> <p>Administrative Measures for Chief Actuaries of Insurance Companies http://www.circ.gov.cn/web/site0/tab479/i54887.htm</p> <p>Administrative Provisions on the Eligibility of Finance Managers of Insurance Companies http://www.circ.gov.cn/web/site0/tab479/i89749.htm</p>	

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3. Building and implementing macro-prudential frameworks and tools						
18 (23)	(Lon)	Amendment of regulatory systems to take account of macro-prudential risks	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: In 2010, CBRC required commercial bank to meet 2% of countercyclical capital buffer on basis of 8% of minimum capital standard, at same time top five large commercial banks were required to meet 1% of capital surcharge. In 2011, CBRC issued Measures to Manage Capital of Commercial Banks in line with Basel III for public consultation, which incorporated both micro and macro perspectives. In the same year, CBRC also issued Measures to Manage Leverage Ratios of Commercial Banks and Measures to Manage Loan Loss Provisions of Commercial Banks.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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19 (24)	(Lon)	Powers for gathering relevant information by national regulators	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: At present, CSRC is establishing a Statistics and Monitoring system for Capital Market Operations, which can collect data and make analysis of the securities and futures market. The system will provide useful information for decision making at the macro level in the capital market.</p> <p>According to the Insurance Law, the insurance supervisory authorities are entitled to collect information on the business, financial status, risk control, organizational structure and management of all insurance companies. The CIRC has</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>established an operational system for on-site and off-site supervision, as well as data/information reporting system.</p> <p>The Administrative Measures for Information Disclosure of Insurance Companies (CIRC [2010] No.7) issued by CIRC in May 2010, and the Measures for the Administration of Insurance Group Companies (Trial Edition, CIRC [2010] No. 29) etc. have made explicit stipulations on information disclosure, requiring insurers to regularly disclose information on their financial position and the risks to which they are subject so that stakeholders can obtain such information as basis for decision making in time.</p> <p>The Administrative Provisions on the Solvency of Insurance Companies stipulates that an insurance company shall submit solvency reports and relevant financial information according to specific standards.</p> <p>Notice of China Insurance Regulatory Commission on Launching Chinese Insurance Statistical Information System of (CIRC[2004] No. 123) requires insurance companies to submit various insurance statistical data and detailed explanation of the data according to related rules of the CIRC.</p>	

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					<p>Web-links to relevant documents:</p> <p>The Insurance Law http://www.circ.gov.cn/web/site0/tab68/i94860.htm</p> <p>Administrative Measures for Information Disclosure of Insurance Companies http://www.circ.gov.cn/tabid/106/InfoID/130893/frtid/3871/Default.aspx</p> <p>Measures for the Administration of Insurance Group Companies http://www.circ.gov.cn/web/site0/tab480/i125359.htm</p>	
20 (25)	(FSF 2009)	Use of macro-prudential tools	3.1 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-	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The PBC has focused on credit policies,</p>	<p>Planned actions (if any):</p> <p>The PBC will continue to improve the macro-prudential management policy framework in line with China's conditions, specifically in areas of differentiated reserve requirements, additional capital requirement for SIFIs and countercyclical capital requirements. The consistency and coordination between macro- and micro- prudential management will be strengthened. The central bank will continue to play the leading role in macro-prudential management.</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
	(Cannes)		<p>specific and at the macro-prudential (system-wide) level... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</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.</p>		<p>differentiated reserve requirement and mortgage multiplier as tools to strengthen macro-prudential management. Since 2011, the PBC has been exploring the differentiated reserve requirement mechanism as an important macro-prudential management tool.</p> <p>CBRC issued Measures to Manage Leverage Ratios of Commercial Banks in 2011.</p> <p>The CSRC conducts net capital supervision on Securities firms. It published Administrative Measures on Risk Control Indicators of Securities Companies in 2006. It established a risk control indicator system with net capital as the core, improved the dynamic risk monitoring mechanism, strengthened methodology, instrument and system of risk management, and streamlined the procedures of risk identification, assessment and control in securities companies, so as to make sure their business activities and size are commensurate with their management capacities and net capital levels.</p> <p>Web-links to relevant documents: http://www.gov.cn/flfg/2006-07/24/content_343598.htm</p>	<p>The CSRC will prepare to introduce a counter-cyclical adjustment mechanism, and improve the risk indicator system with macro-prudential tools.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			during periods of market strain.		<p>Overview (short description) of action(s) taken: According to the Twelfth Five-Year Plan, PBC embarks to set up and optimise preventing and warning system, assessing system and resolution regime for systemic financial risk. In this process, PBC also focuses on improving cooperation and exchange of information between PBC and supervisors.</p> <p>There has been effective coordination and cooperation among Chinese regulatory agencies to prevent cross-sector contagion of risks. The PBC and other financial regulators in China have endeavoured to establish a sound financial supervision coordination mechanism, which includes:</p> <ol style="list-style-type: none"> 1. regular meetings attended by heads of the PBC, CBRC, CSRC, CIRC and SAFE, to report latest developments and discuss most current issues related to financial stability. 2. a financial coordination mechanism that brings together the PBC, CBRC, CSRC and CIRC in the form of joint meetings to strengthen coordination between monetary and supervisory policies and coordinate on related supervisory rules and regulations. 3. an information sharing system among the PBC, CBRC, CSRC and CIRC. The Provisional Measures on Information 	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Sharing among the PBC, CBRC, CSRC and CIRC was issued in Sept 2008 by PBC and the regulators to strengthen financial information sharing and communication among them.</p> <p>Web-links to relevant documents:</p>	
4. Improving oversight of credit rating agencies						
23 (35)	(Lon)	Registration of CRAs etc.	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.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: In 2006 Mar and Sep, the PBC respectively published Guidelines for CRA Administration and Regulations on Credit Rating in Credit Market and Inter-Bank Bond Market. The requirements are even stricter than the IOSCO Code of Conduct and more tailored to China's conditions.</p>	<p>Planned actions (if any): For the next step, the PBC will further strengthen the registration administration of CRAs.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>CBRC has issued the Notice of China Banking Regulatory Commission on Regulating the Use of External Credit Ratings by Commercial Banks in 2011.</p> <p>Web-links to relevant documents:</p>	
24 (36)	(Lon)	CRA practices and procedures etc.	<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>CRA's should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions</p>	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: In 2009 Aug, the PBC launched the review and revision of the Regulations on Credit Rating in line with IOSCO standards. The regulation covers aspects such as interest conflicts, rating procedures, rating methodology and information disclosure. The revision was completed in 2010 and the second round of public consultation has</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<p>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.</p>		<p>been finished.</p> <p>Web-links to relevant documents:</p>	
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010.	As early as possible in 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The PBC has been keeping a close eye on regulation reforms in major economies including U.S. and EU, conducting</p>	<p>Planned actions (if any): The PBC will continue to participate in international exchanges for a globally-agreed approach to CRA issues.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>researches and participating in international exchanges.</p> <p>Web-links to relevant documents:</p>	
26 (38)	(Seoul)	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.</p> <p>IV. 8 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</p>	Ongoing	<p>No response required for this survey.</p> <p>Please refer to national summary tables in <i>Progress Report on Reducing Reliance on CRA Ratings</i> (forthcoming).</p>	

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	(Cannes)		<p>and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation.</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.</p>			
5. Enhancing and aligning accounting standards						
27 (28)	(WAP)	Consistent application of high-quality	Regulators, supervisors, and accounting standard	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by	Planned actions (if any): The system of Enterprises' Internal Control will be expanded to all

# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		accounting standards	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.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: The system of 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. Meanwhile, China's accounting standard setter has established an effective supervision mechanism together with supervisory authorities including CBRC, CSRC and CIRC to ensure the quality of implementation. Since 2007, the MOF has tracked and analyzed the implementation of all listed companies by way of "real time monitoring the stock market, analyzing the target group company by company", and reported the	<p>companies listed at the main board of Shanghai and Shenzhen stock exchanges from 1 January 2012. On this basis, it will be gradually applied to companies listed in the SMEs board and the growth enterprise board. At that time, in accordance with the information disclosure requirements of the MOF and the CSRC, listed companies should disclose the annual self-evaluation report of internal control, and employ certified accounting firms which have qualification certification on securities and future business to audit the validity of financial reports' internal control.</p> <p>According to the latest progress of the IFRSs, the MOF intends to draft or revise eleven accounting standards including financial instruments, fair value measurement and consolidated financial statements to maintain continuing convergence with IFRSs.</p> <p>The CSRC will closely follow the international accounting integration, assist the MOF to</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>Analysis Report on the Implementation of ASBEs by Chinese Listed Companies every year. The analysis shows that the implementation of the ASBEs by all listed companies has been smooth and effective.</p> <p>Since 2007, the MOF has set out the requirements for preparing the annual reports every year, and pointed out the concerns that all listed companies should focus on, such as fair value measurement. According to the implementation of ASBEs and supervision practise, 2007-2010, MOF issued Interpretation 1-4 to solve problems in practical application. The MOF and CSRC have updated and improved the rules on listed companies' information disclosure in a timely basis to enhance consistency between the implementation of ASBEs and information disclosure.</p> <p>The MOF, as the accounting standard setter in China, issued the Roadmap for Continuous Convergence of the Chinese Accounting Standards for Business Enterprises with the International Financial Reporting Standards on April 2nd, 2010. According to the roadmap, the revision of ASBEs will keep pace with the progress made by IASB.</p> <p>On April 26th, 2010, the MOF, the</p>	<p>carry out reviews on the implementation of the new accounting standards, and prepare enterprises for the introduction of unified international standards on the operational level.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>CSRC,NAO, CBRC and CIRC jointly issued the Supplement Guidance on Enterprises' Internal Control, and would promote its implementation in listed companies step by step. The system of Enterprises' Internal Control will be set up in companies which listed both at home and abroad from 1 January 2011.</p> <p>As China implements new accounting standards, the CSRC steadily strengthens internal control of the listed companies. The CSRC also promote the use of new standard by sending supervisory instructions and publishing Q and A about implementation of accounting standards by listed companies.</p> <p>Web-links to relevant documents:</p>	
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 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	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any):</p> <p>The MOF and related regulatory agencies are to strengthen and improve the system of tracking and supervising the application of the fair value, so as to ensure effective implementation of ASBEs.</p> <p>Expected commencement date:</p>

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			their valuation is weak.		<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Since 2007, the MOF has set up the system to track, analyze and monitor the implementation of ASBEs, particularly the fair value valuation of the financial instruments when the data or the models could not support its valuation. The MOF interviewed the companies with improper accounting practices and corrected them to ensure the consistent and comparable implementation of ASBEs. At the same time, regulators also have set up a system to track and monitor the application of fair value accounting on a real-time basis. For instance, when a listed company first adopts the new ASBEs, MOF, CBRC and CSRC will require the company to put in place a decision-making mechanism concerning fair value accounting, adopt fair value measurement models in a prudent and moderate manner, and fully disclose the methodology of fair value measurement, assumptions of valuation and the principles for choosing main parameters. In terms of fair value measurement of financial instruments, the MOF, CBRC and CSRC require listed companies to choose related parameters strictly according to the requirements of the ASBEs and fully	Web-links to relevant documents:

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					<p>disclose relevant information when using valuation models to calculate the fair value in subsequent accounting. For example, In the supervision over 2009 annual reports of listed companies, the CSRC focuses on impairment provisioning of financial instruments, especially of assets available for sale.</p> <p>Web-links to relevant documents:</p>	
29 (31)	(FSF 2009)	Dampening of dynamics associated with FVA.	3.5 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	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The MOF will keep pace with the IASB in developing standards of fair value measurement, financial instruments (including hedge accounting) and etc. It has established working groups on fair value</p>	<p>Planned actions (if any): The MOF has drafted the financial instruments and fair value measurement, and will release the exposure drafts in the near future. After revising based on feedbacks, the MOF will issue those standards in an appropriate time.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements.		<p>measurement and financial instruments, employing expert from prudential regulators, auditors and accounting practitioners, and has begun to draft and improve the standards of fair value measurement and financial instruments. The MOF, CBRC and CSRC have always closely supervised deliberate adjustment of profits across periods using re-classification of financial instruments, and have required the enterprises to classify and re-classify the financial instruments strictly according to the requirements of ASBEs, and fully disclose them in the notes to financial statements.</p> <p>Web-links to relevant documents:</p>	
6. Strengthening adherence to international financial standards						
30 (32)	(Lon)	Adherence to international prudential regulatory and supervisory standards, as well as agreeing to undergo FSAP/ FSB periodic peer reviews	<p>We are committed to strengthened adherence to international prudential regulatory and supervisory standards.</p> <p>FSB members commit to pursue the maintenance of</p>	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p>	<p>Planned actions (if any):</p> <p>China will further improve the CTF asset freezing mechanism.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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		(Note) Please try to prioritise any major initiatives conducted specifically in your jurisdiction	financial stability, enhance the openness and transparency of the financial sector, implement international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.		<p>Overview (short description) of action(s) taken: In Feb 2012, the FATF Paris Plenary meeting approved that China conclude its follow-up report process, indicating that China has basically reached key and core FATF recommendations.</p> <p>CBRC has conducted a series reviews in recent years, including reviews on compensation practices, mortgage originating practices, risk disclosures, etc by FSB and FSAP review.</p> <p>Web-links to relevant documents:</p>	
7. Enhancing risk management						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk management practices	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	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			strengthened policies for sound risk management.		<p>Overview (short description) of action(s) taken: Over the recent years, CBRC has issued many guidelines to strengthen banks' risk management practices, such as guidelines to management credit risk, market risk and reputational risk of commercial banks, as well as liquidity risk, country risk and risks associated with information technology, etc.</p> <p>Web-links to relevant documents:</p>	
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers above the minimum regulatory capital requirement.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: CBRC issued the Guidelines for Conducting Stress Tests of Commercial Banks in 2007. CBRC conducted stress tests for 17 major banks in 2010. The results showed that all</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>the tested banks have adequate capital ratio, well above the minimum capital requirement.</p> <p>Web-links to relevant documents:</p>	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 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.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: CBRC has issued the Measures to Manage Liquidity Risks of Commercial Banks for public consultation in October 2011.</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
34 (4)	(FSB 2009)	Enhancing banks' operations in	Regulators and supervisors in emerging markets	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p>	Planned actions (if any):

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		foreign currency funding markets	will enhance their supervision of banks' operation in foreign currency funding markets.		<input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:	Expected commencement date: Web-links to relevant documents:
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken:	Planned actions (if any): The CSRC will continue to improve the stress test mechanism in the future. Expected commencement date: Web-links to relevant documents:

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					<p>Stress tests are a part of the ongoing supervision of CBRC.</p> <p>The CSRC published Stress Test Guidelines for Securities Companies in 2011 Mar 23. It carried out the first stress test in the securities industry in 2011, and will conduct annual tests hereafter.</p> <p>The CSRC asks futures companies to improve internal control. It also conducts tests before they make widely-influencing decisions.</p> <p>Web-links to relevant documents:</p>	
36 (40)	(Pitts)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					Web-links to relevant documents:	
37 (41)	(WAP)	Enhanced risk disclosures by financial institutions	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: CBRC conducted the risk disclosure review of FSB with positive results. In 2009, CBRC issued Guidelines for Disclosing Capital Adequacy Ratio of Commercial Banks.</p> <p>The CSRC asks futures companies to disclose their basic information, historical record, branches, supervisory and management personnel, shareholding information, credit information, net capital, asset, equity, revenue, etc.</p>	<p>Planned actions (if any): The CSRC will continue to improve the information disclosure system of the securities industry.</p> <p>The revision of Accounting Standards for Business Enterprises will keep pace with the progress of IASB. The MOF and related regulatory agencies are to strengthen and improve the system of tracking and supervising the application of the fair value, so as to ensure effective implementation of ASBES.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Chinese financial supervisors have referred to the international guidelines and standards released by international standard setters when formulating domestic laws and regulations. In particular, the Provisions on Accounting Treatment of Insurance Contract (Accounting Department [2009] No. 15) issued by the Ministry of Finance of PRC in December 2009 requires that the insurance contracts should include partition and major insurance risk test system. The calculation of technical provision refers to the latest concept of the second stage of the international accounting standards for insurance contracts. In the financial reports required by the CIRC, the valuation standards of assets and debts are already in consistence with the international accounting standards.</p> <p>The CIRC supervises risk management of insurance companies in accordance with some relevant laws and rules such as Guidelines on Risk Management of Insurance Companies (Trial) (CIRC [2007] No.23) , Guidelines on Internal Audit of Insurance Companies (Trial) (CIRC [2007] No.26) , Basic Standards of Internal Control For Insurance Companies (CIRC [2010] No.69) etc. The</p>	

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					<p>basic requirements are as follows: an insurance company should have a clear management objective for risks, establish a sound risk management system, standardize the risk management processes, and adopt the advanced risk management methods and means to attain maximized efficiency under the appropriate risk level. Insurance companies are required to submit relevant reports to the CIRC on a regular and timely basis.</p> <p>The Provisions Governing the Solvency of Insurance Companies (CIRC No.1/2008) and The Rules for the Compilation of Insurance Company Solvency Report No.14 (Insurance Groups) provide for the frequency, time and contents of reporting of solvency reports by insurance group companies. Such information may be exchanged, subject to relevant cooperative documents executed.</p> <p>Notice on Related Issues in Compiling and Reporting Annual Report clearly specifies that insurance companies have the obligation to submit financial reports to regulatory authorities.</p> <p>Notice of China Insurance Regulatory Commission about Several Matters on Strengthening the Supervision over the</p>	

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					<p>Finance of Insurance Companies' Domestic Non-insurance Economic Entities and Overseas Insurance Institutions specifies that all insurance companies shall submit financial reports of the previous fiscal year of the affiliated non-insurance and overseas institutions to the CIRC before April 30th every year.</p> <p>In regards to insurance groups, No. 14 of the Compilation Rules on the Solvency Report of Insurance Companies (Insurance Groups) says that the parent company of an insurance group shall submit a semi-annual solvency report and an audited annual solvency report of the insurance group according to related regulations.</p> <p>According to Article 49 of the Interim Measures for the Administration of Utilization of Insurance Funds (CIRC No. 9 [2010]), insurance group (holdings) companies and insurance companies should establish a mechanism for risk control in insurance funds investment, make contingency plans, control and reduce potential risks promptly. Where investment assets devaluate substantially or debts default a solution plan must be made and this situation should be informed to CIRC.</p> <p>China started its FSAP in 2009 and</p>	

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					<p>completed by the end of 2011. Three Assessment reports were hence released to the public: China Financial Sector Assessment Report, Financial Sector Stability Assessment Report, and Detailed Assessment of Observance- IAIS Insurance Core Principles.</p> <p>Web-links to relevant documents: http://www.worldbank.org/content/dam/Worldbank/document/WB-Chinas-Financial-Sector-Assessment-Report.pdf http://www.imf.org/external/pubs/ft/scr/2011/cr11321.pdf http://www.imf.org/external/pubs/ft/scr/2012/cr1279.pdf</p>	
8. Strengthening deposit insurance						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	<p>No response required for this survey.</p> <p>Please refer to peer review report on deposit insurance systems published in February 2012, available at: http://www.financialstabilityboard.org/publications/r_120208.pdf</p>	

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9. Safeguarding the integrity and efficiency of financial markets						
39 (new)	(Cannes)	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any): The CSRC will steadily extend the business range of futures companies and promote their development and opening up.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
40 (new)	(Cannes)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <p>Overview (short description) of action(s) taken:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any): The CSRC will continue to enhance information disclosure and improve the transparency of the market.</p> <p>Expected commencement date:</p>

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		<p>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</p>		<p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Regulation on Futures Trading prohibits illegal activities including fraud trading, insider trading and price manipulation. Futures exchanges should establish risk management regime, such as margin requirements, intraday zero debt settlement requirements, etc. They should also set limits on amounts of different types of products during different times. Futures Exchanges comply with Regulation on Futures Trading and disclose relevant information accordingly.</p> <p>Web-links to relevant documents:</p>	<p>Web-links to relevant documents:</p>

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10. Enhancing consumer protection						
41 (new)	(Cannes)	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.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>The PBC will study on legal issues of financial consumer protection and develop specific regulations in areas such as banking cards, credit information collections, deposit insurance, etc.</p> <p>The Chinese government, the PBC and regulatory authorities will further strengthen financial consumer protection and education through domestic actions and international cooperation, through establishing and implementing relevant regulations, and through government and public efforts altogether.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
<p>Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The PBC is studying on legislation issues of protecting financial consumers to see its practicability and methodologies, as well as clarifying which authority will bear the mandate of protecting financial consumers, and what concrete measures should be taken.</p> <p>After the 2011 G20 Cannes Summit, the Chinese government, the PBC and financial regulatory commissions have already taken actions to strengthen financial consumer protection in China. CSRC and CIRC have established Investor Protection Bureau and Consumer Protection Bureau respectively at the end</p>						

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					<p>of 2011. CBRC also has tried to strengthen banking supervision and protect the interests and rights of consumers by issuing new rules. CBRC announced the Notice on the Correction of Banking Institutions' Irregular Operations in February 2011. In addition, the public has taken efforts to enhance financial education and consumer protection through open activities like 3.15 World Consumer Rights Day. All in all, the overall work of financial consumer protection and education is being improved in China.</p> <p>Consumer protection has been one of the key regulatory goals set up by the CIRC. CIRC has issued substantial regulations on consumer protection to enhance the insurance companies discipline and awareness on customer satisfaction. CIRC had set up the Consumer Protection Bureau in 2011 for this purpose.</p> <p>Web-links to relevant documents:</p>	

Origin of recommendations:

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)

WAP: 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)

Index of acronyms

Example:

FSB: Financial Stability Board