

Announcement of The People's Bank of China Shanghai Head Office (2016) No. 2

(Rules for the Administration of Registration of Overseas Institutional Investors' Investment in China's Inter-bank Bond Market)

In accordance with the provisions of [2016] No. 3 Announcement of the People's Bank of China ("PBC"), the PBC Shanghai Head Office has developed the *Rules for the Administration of Registration of Foreign Institutional Investors' Investment in China's Inter-bank Bond Market*, which are hereby issued for implementation.

Appendix: Rules for the Administration of Registration of Foreign Institutional Investors' Investment in China's Inter-bank Bond Market

The People's Bank of China Shanghai Head Office

May 27, 2016

Appendix

Rules for the Administration of Registration of Foreign Institutional Investors' Investment in China's Inter-bank Bond Market

Article 1 For the purpose of effectively conducting the administration of registration of foreign institutional investors' investment in the inter-bank bond market, these Rules are developed in accordance with the provisions of [2016] No. 3 Announcement of the PBC (hereinafter referred to as the "Announcement").

Article 2 For the purpose of these Rules, "foreign institutional investors" mean foreign institutional investors prescribed in the Announcement.

For the purpose of these Rules, "settlement agent" means the settlement agent on the inter-bank market that has the capability to conduct international settlement, and is entrusted as the settlement agent on the inter-bank market to conduct bond transactions and settlement on behalf of foreign institutional investors.

Article 3 A settlement agent shall, under the principles of "know your customer", "know your business" and "due diligence," effectively perform the functions of examining the qualifications of foreign institutional investors.

Article 4 A qualified foreign institutional investor may entrust a settlement agent to apply to the PBC Shanghai Head Office for investment registration, and the settlement agent shall submit the *Registration Form for Foreign Institutional Investors' Investment in China's Inter-bank Bond Market* (see Schedule for format) and the settlement agency agreement on behalf of the investor. A foreign institutional investor that has entered the inter-bank bond market is not required to undergo registration formalities anew unless it is otherwise provided for by the PBC.

Article 5 Where a settlement agent conducts investment registration on behalf of a foreign institutional investor for the first time, it shall also submit the following materials to the PBC Shanghai Head Office:

(1) A photocopy of the administrative licensing decision on the settlement agent on the inter-bank bond market issued by the PBC upon approval;

- (2) An explanation on the capability for conducting international settlement;
- (3) An explanation on complete separation between its proprietary investment management business and its investment business as an agent in terms of assets, personnel, systems, and rules, etc.;
- (4) The management rules for bond transactions and settlement as an agent, including, but not limited to, the measures for the administration of bond transactions and settlement as an agent, business operating procedures, risk management rules, and codes of conduct for employees;
- (5) An explanation on information technology facilities, technical support professionals, and information system management rules, etc., as required for bond transactions and settlement as an agent;
- (6) A photocopy of the certificates obtained for participating in training relating to the inter-bank bond market by the person in charge and business personnel of the department responsible for bond transactions and settlement management as an agent and other relevant personnel;
- (7) An explanation on no violation of law or serious regulatory violation in the past three years;
- (8) A letter of commitment that it is responsible for the authenticity, accuracy and integrity of materials submitted for registration, the materials have no false records, misleading statements or material omissions, and it is aware of and has performed the functions of examining the qualifications of foreign institutional investors; and
- (9) Other documents required by the PBC.

Article 6 Where a settlement agent is entrusted for the first time to provide asset custody services to foreign institutional investors, it shall submit the following supplementary materials to the PBC Shanghai Head Office for registration.

- (1) An explanation on the company's business scope, governance structure, internal audit and monitoring rules and risk control system;

- (2) A statement regarding whether it has set up a special custody business department, sound custody business capability, completely separated its own assets from the assets entrusted for management, and set up different accounts for the assets under its custody for separate management;
- (3) Its custody business rules, including, but not limited to, the measures for the management of the custody business, business operating procedures, risk management rules, codes of conduct for employees, and accounting methods;
- (4) An explanation on technology facilities, technical support professionals, and information system management rules, etc., as required for custody;
- (5) A photocopy of the certificates obtained for participating in training relating to the inter-bank bond market by the person in charge and business personnel of the department responsible for custody;
- (6) An explanation on no violation of law or serious regulatory violation in the past three years;
- (7) A letter of commitment that it is responsible for the authenticity, accuracy and integrity of materials submitted for registration, the materials have no false records, misleading statements or material omissions; and
- (8) Other documents required by the PBC.

Article 7 The PBC Shanghai Head Office shall, within 20 working days as of the date of acceptance of the registration application, issue a registration notice according to prescribed conditions and procedures, and the registration notice shall be valid for three months as of the date of issuance. If a new application is filed for registration, the relevant information shall be stated.

Article 8 Where the investment principal remitted by a foreign institutional investor is less than 50% of the recorded funds for investment within nine months as of the day when registration was made, the investor shall report the funds to be invested and other information once again. If the foreign institutional investor modifies the relevant registration information or exits the inter-bank bond market, it shall entrust a settlement agent to submit an application and the relevant documents to the PBC Shanghai Head Office.

Article 9 A foreign institutional investor shall, according to the relevant provisions of the *Announcement*, conduct the investment business in the inter-bank bond market in accordance with the laws and regulations.

Article 10 A settlement agent shall appropriately retain the relevant documents involved in registration, and effectively perform the prescribed duties. It shall, within the first five working days of each month, submit to the PBC Shanghai Head Office the information on foreign institutional investors in the last month and a report on the implementation of the investment business. If any major issue or abnormal circumstance is discovered, it shall report to the PBC Shanghai Head Office in a timely manner.

Article 11 The National Inter-bank Funding Center and bond registration, custody and settlement institutions shall, according to their respective functions, effectively provide relevant services and conduct monitoring. They shall, within the first five working days of each month, submit to the PBC Shanghai Head Office the information on foreign institutional investors' business operation in the last month.

Article 12 The PBC Shanghai Head Office shall have the right to conduct supervision and administration of relevant business operations conducted by foreign institutional investors and settlement agents by such means as interviews and on-site inspection, which shall cover:

- (1) Compliance with the laws and regulations of investment made by the foreign institutional investor in the inter-bank bond market;
- (2) Settlement agent's registration and provision of services on behalf of the foreign institutional investor, especially the performance of all functions as set forth in Article 14 of the *Announcement*; and
- (3) Cooperation in the competent department's work provided by the foreign institutional investor and settlement agent and the timeliness, accuracy and integrity, etc., of the submitted monthly reports, and the reports on significant or abnormal circumstances.

Article 13 Where a foreign institutional investor or settlement agent commits any violation of law or regulation when conducting business operations in the inter-bank bond market, the PBC Shanghai Head Office shall, according to the

seriousness of circumstances, take such regulatory measures as holding admonitory talks, giving a warning notice, suspending business, and compulsory exit and impose administrative penalties.

Article 14 The PBC Shanghai Head Office shall, by such means as convening the settlement agent's meeting from time to time, conduct research to improve registration administration, and report relevant suggestions to the PBC in a timely manner.

Article 15 These Rules shall be subject to interpretation and revision by the PBC Shanghai Head Office.

Article 16 These Rules shall come into force on the date of issuance.

Annex 1

境外机构投资者投资中国银行间债券市场备案表

Registration Form for Overseas Institutional Investors in China's Inter-Bank Bond Market

(法人类)

(For Incorporated Entities)

投资者名称:

Name of Entity

申请机构简介 Brief Introduction				
	注册地: Place of Registration		注册资本: Registered Capital	
	总资产: Total Assets		机构类型: Type of Entity	
	成立日期: Date of Establishment		资金来源: Source of Funds	
拟投资规模 Anticipated Investment	拟投资额(十亿人民币): Anticipated Investment Volume (CNY Billions) 规模适时调整 <input type="checkbox"/> 规模保持稳定 <input type="checkbox"/> Subject to Change Kept Stable			
初始投资意向 Initial Investment Intention	政府类债券 <input type="checkbox"/> Government Bonds	金融债 <input type="checkbox"/> Financial Bonds	公司类债券 <input type="checkbox"/> Corporate Bonds	其他债券 <input type="checkbox"/> Other Bonds
	债券回购 <input type="checkbox"/> Bond Repo	债券借贷 <input type="checkbox"/> Bond Lending	衍生品 <input type="checkbox"/> Derivatives	
	投资期限: Investment Horizon			
拟选择代理人 Selected Agent	银行间市场结算代理人 <input type="checkbox"/>			其他 <input type="checkbox"/> _____
	Inter-Bank Bond Market Settlement Agent			
	提供托管服务 <input type="checkbox"/> Custody Service			
相关联系人 Contact	姓名 Name	职位 Position	电话 Tel. 传真 Fax	邮箱 E-mail Address
投资负责人 Investment Managers				

投资业务联系人 Contact Person of Investment				
结算代理机构相关负责人 Responsible Person of Settlement Agent				
结算代理机构相关联系人 Contact Person of Settlement Agent				
本次是否以 QFII/RQFII 身份备案 Register as QFII/RQFII	是 <input type="checkbox"/> Yes	获批额度(十亿人民币): Investment Quota (CNY Billions)		否 <input type="checkbox"/> No
其他说明 Additional Information				
承诺对备案提交材料的真实性、准确性、完整性负责，无虚假记载、误导性陈述或重大遗漏。 <input type="checkbox"/> I/we accept responsibility for the truthfulness, accuracy and completeness of the submission and declare that there is no false or misleading statement or material omission.				

盖章/签字 (Official Seal/Signature) :

Annex 2

境外机构投资者投资中国银行间债券市场备案表 Registration Form for Overseas Institutional Investors in China's Inter-Bank Bond Market (非法人类) (For Unincorporated Entities)

投资者名称:

Name of Entity

投资者基本情况 Entity Information	审批机构: Licensing Authority			
	存续期间: Foundation & Maturity Dates (if applicable)			
	投资者类型: Type of Entity		投资者规模: Fund Assets	
	募集方式: Means of Fundraising		资金来源: Source of Funds	
投资管理人简介 Brief Introduction of Investment Management Company				
	投资管理人全称: Legal Name of Investment Management Company			
	注册地: Place of Registration		管理资产规模: Total Assets under Management/Advisement	
	注册资本: Registered Capital		成立日期: Date of Establishment	
托管机构基本情况 Offshore Custodian Information	地址: Address			
	托管机构全称: Legal Name of Offshore Custodian			
	注册地: Place of Registration		受托资产规模: Total Assets under Custody	
	注册资本: Registered Capital		成立日期: Date of Establishment	
拟投资规模 Anticipated Investment	地址: Address			
	拟投资额(十亿人民币) : Anticipated Investment Volume (CNY Billions)			
	规模适时调整 <input type="checkbox"/> 规模保持稳定 <input type="checkbox"/> Subject to Change Kept Stable			
	政府类债券 <input type="checkbox"/>	金融债 <input type="checkbox"/>	公司类债券 <input type="checkbox"/>	其他债券 <input type="checkbox"/>
			Corporate Bonds	Other Bonds

初始投资意向 Initial Investment Intentions	Government Bonds	Financial Bonds		
	债券回购 Bond Repo <input type="checkbox"/>	债券借贷 <input type="checkbox"/>	衍生品 Derivatives <input type="checkbox"/>	
	投资期限: Investment Horizon			
拟选择代理人 Selected Agent	银行间市场结算代理人 <input type="checkbox"/>			其他 <input type="checkbox"/> _____ Other
	Inter-Bank Bond Market Settlement Agent			
	提供托管服务 <input type="checkbox"/> Custody Service			
相关联系人 Contact	姓名 Name	职位 Position	电话 Tel. 传真 Fax	Address 邮箱 E-mail
投资负责人 Investment Managers				
投资管理人联系人 Contact Person of Investment Management Company				
托管机构相关负责人 Responsible Person of Offshore Custodian				
托管机构相关联系人 Contact Person of Offshore Custodian				
结算代理机构相关负责人 Responsible Person of Settlement Agent				
结算代理机构相关联系人 Contact Person of Settlement Agent				
本次是否以 QFII/RQFII 身份备案 Register as QFII/RQFII	是 <input type="checkbox"/> Yes	获批额度(十亿人民币): Investment Quota (CNY Billions)		否 <input type="checkbox"/> No
其他说明 Additional Information				
承诺对备案提交材料的真实性、准确性、完整性负责，无虚假记载、误导性陈述或重大遗漏。 I/we accept responsibility for the truthfulness, accuracy and completeness of the submission and declare that there is no false or misleading statement or material omission.				

盖章/签字 (Official Seal/Signature) :

填表说明 Notes:

1.表格用中文和英文填写。

Please fill out this form in Chinese and English.

2.申请机构简介或投资管理人简介包括监管法律、组织结构(含投资职能)等内容。

Brief Introduction or Brief Introduction of Investment Management Company: background on governing law, organizational structure (including investment functions), etc.

3.拟投资规模是指预计投资规模及未来将如何调整该规模，如是否将逐步增加或保持平稳。

Anticipated Investment: anticipated investment amount and how it is expected to change over time.

4.拟选择代理人请在方框内打√，并注明拟选择结算代理人的名称(如适用)。其他情况请另注明。

Selected Agent(s): Please tick the box and specify the name of the settlement agent (if applicable). Please specify the situation if otherwise.

5.投资负责人信息须填写债券投资管理人及投资主要负责人的基本情况。

Investment Managers: Please provide basic information about people chiefly responsible for investments into China, i.e., Head of Investment Management, Head of Dealing Room (Front Office), Head of Risk Management (Middle Office), and Head of Settlements (Back Office).

6.选择本次是否以 QFII/RQFII 身份备案，并在对应方框内打√。若是则还需注明获批额度。

Register as QFII/RQFII: Please tick the corresponding box according to whether or not to register as a qualified foreign institutional investor (QFII) or an RMB qualified foreign institutional investor (RQFII). If yes, please specify investment quota awarded.

7.中国人民银行上海总部负责对此表格进行解释。

This form is subject to interpretation by the PBC Shanghai Head Office.