

**Circular on Releasing the Operational Guidelines on
Network Connection and Account Opening for Overseas
Institutional Investors to Access China's Inter-bank Bond
Market**

CCDC [2016] No. 52

Settlement agents in CIBM, overseas institutional investors,

To meet the requirements in *PBC Announcement [2016] No. 3* and to improve the account opening, networking and other services for overseas institutional investors in CIBM, China Central Depository & Clearing Co., Ltd., China Foreign Exchange Trade System and National Inter-bank Funding Center, and Shanghai Clearing House jointly formulate the *Operational Guidelines on Networking and Account Opening for Overseas Institutional Investors to Access China's Inter-bank Bond Market* (hereinafter referred to as the “Guidelines”), which has been reported to the People’s Bank of China.

The Guidelines is hereby released.

Appendix: Operational Guidelines on Networking and Account Opening
for Overseas Institutional Investors to Access China's Inter-bank Bond
Market

China Central Depository & Clearing Co., Ltd.
China Foreign Exchange Trade System and National Inter-bank Funding Center
Shanghai Clearing House
May 27, 2016

Appendix

Operational Guidelines on Networking and Account Opening for Overseas Institutional Investors to Access China's Inter-bank Bond Market

Article 1 This Guidelines is formulated with the approval of the Financial Market Department of the People's Bank of China (PBC) to clarify the networking and account opening procedures for overseas institutional investors in China's Inter-bank bond market (CIBM) according to the requirements of PBC Announcement [2016] No. 3.

Article 2 This Guidelines applies to financial institutions lawfully registered and incorporated outside the territory of the People's Republic of China, including commercial banks, insurance companies, securities companies, fund management companies and other asset management institutions, investment products issued by the aforementioned institutions to clients in accordance with the laws and regulations, and other medium- and long-term institutional investors approved by PBC, such as pension funds, charity funds and endowment funds.

Article 3 When accessing CIBM, an overseas institutional investor needs to have its settlement agent submit written applications for networking or account opening respectively to China Foreign Exchange Trade System and National Inter-bank Funding Center (hereinafter referred to as "CFETS"), China Central Depository & Clearing Co., Ltd. (hereinafter referred to as "CCDC") and Shanghai Clearing House (hereinafter referred to as "SHCH").

Article 4 Documents required for networking or account opening:

- (1) Registration notice issued by the PBC Shanghai Head Office,
- (2) *Business Application Form for Overseas Institutional Investors* (see Annex), and

(3) Signature page(s) of business agreement(s) required for account opening.

Standard texts of relevant business agreements on account opening are published separately on the official websites of CCDC and SHCH.

Article 5 CFETS, CCDC and SHCH will begin to process the relevant business after receiving the documents for networking or account opening from the settlement agent. If the documents are correct and complete, networking or account opening procedures will be completed within three working days; otherwise, the settlement agent will be informed of the inadequacies all at once.

Article 6 In the situation where an overseas institutional investor needs to alter its registered information as required by the PBC Shanghai Head Office, after the alteration is made and registered, its settlement agent shall submit to CFETS, CCDC and SHCH respectively the following documents:

(1) Notice on altering the registered information issued by the PBC Shanghai Head Office,

(2) *Business Application Form for Overseas Institutional Investors*, and

(3) Signature page(s) of business agreement(s) required for alteration(s).

Article 7 For any alteration(s) to the basic information of overseas institutional investors such as the reserved seal, the settlement agent shall submit the *Business Application Form for Overseas Institutional Investors* in written form to CFETS, CCDC and SHCH respectively.

Article 8 CFETS, CCDC and SHCH will begin to process the relevant business after receiving the documents for alteration(s) from the settlement agent. If the documents are correct and complete, procedures for such alteration(s) will be completed within three working days;

otherwise, the settlement agent will be informed of the inadequacies all at once.

Article 9 To exit CIBM, the overseas institutional investor shall have its settlement agent submit the *Business Application Form for Overseas Institutional Investors* in written form to CFETS, CCDC and SHCH respectively to apply for network termination or account revocation.

Article 10 After receiving the documents for network termination or account revocation from the settlement agent, unless documents are incorrect or incomplete, or there is balance in the account, or there are any unsettled claims and liabilities or unpaid fees, CFETS, CCDC and SHCH will process the network termination or account revocation procedures within three working days; otherwise, the settlement agent will be informed of the inadequacies all at once.

Article 11 If an unincorporated product reaches maturity, CFETS, CCDC and SHCH will automatically perform network termination or account revocation procedures at the end of the third working day after its maturity.

Article 12 CFETS, CCDC and SHCH are responsible for the interpretation and amendment of *this Guidelines*.

Article 13 This Guidelines will take effect on the date of its release.

Annex

Business Application Form for Overseas Institutional Investors

Important statement: We guarantee that no false record, misleading statement or major omission is provided in this application form. We promise to bear full legal responsibility for the form's authenticity, accuracy, integrity and validity.

Basic information

Full name of the investor	(up to 30 characters)		
Abbreviated name of the investor	(up to 8 characters)		
Place of registration	(country / region)		
Type of the investor (please check the corresponding box)	<input type="checkbox"/> Commercial bank (<input type="checkbox"/> RMB clearing bank <input type="checkbox"/> overseas participating bank <input type="checkbox"/> others) <input type="checkbox"/> Insurance company <input type="checkbox"/> Securities company <input type="checkbox"/> Fund management company <input type="checkbox"/> Other asset management institutions (in detail) _____ <input type="checkbox"/> Pension fund (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated) <input type="checkbox"/> Charity fund (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated) <input type="checkbox"/> Endowment fund (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated) <input type="checkbox"/> Unincorporated product of a commercial bank <input type="checkbox"/> Unincorporated product of an insurance company <input type="checkbox"/> Unincorporated product of a securities company <input type="checkbox"/> Unincorporated product of a fund management company <input type="checkbox"/> Unincorporated product of other asset management institutions (in detail) _____ <input type="checkbox"/> Others (in detail) _____ (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated) <input type="checkbox"/> QFII (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated) <input type="checkbox"/> RQFII (<input type="checkbox"/> legal person <input type="checkbox"/> unincorporated)		
Information on the investor (applicable for unincorporated products only)	Outstanding amount of the product		Origination date of the product
	Maturity date of the product	YYYY/MM/DD <input type="checkbox"/> no fixed maturity	
Bond account	(not applicable for the first-time account opening applicant)		
Settlement type	■ Settle through the settlement agent		

Full name of the settlement agent	
Account number of the settlement agent	(Account number at CCDC)
	(Account number at SHCH)
Full name of the investment manager	(if applicable)
Full name of the custodian	(if applicable)

Business that requires application

1. Market entry	<input type="checkbox"/> Applying for bond market networking with CFETS <input type="checkbox"/> Applying to open a bond account at CCDC <input type="checkbox"/> Applying to open a dedicated cash account for bond settlement at CCDC <input type="checkbox"/> Applying to open a bond account at SHCH <input type="checkbox"/> Applying to open a dedicated cash account for bond settlement at SHCH
2. Information alteration ¹	<input type="checkbox"/> Changing the name of the institution Former full name of the institution: _____ <input type="checkbox"/> Changing the settlement agent Full name of the former settlement agent: _____ <input type="checkbox"/> Changing the maturity date <input type="checkbox"/> Changing the reserved seal
3. Market exit	<input type="checkbox"/> Applying to terminate networking with CFETS <input type="checkbox"/> Applying to revoke the account at CCDC <input type="checkbox"/> Applying to revoke the account at SHCH
4. Other business	(Please provide detailed information based on the business to be applied for)

Application with CFETS

Administrator of the RMB trading system	Name		Department	
	Title		Telephone	
	Address			
	Postcode			

¹For any alteration(s) regarding the name of investors, settlement agents and the maturity of unincorporated products, the overseas institutional investor needs to apply to the PBC Shanghai Head Office for the filing of alteration(s).

	Email	(very important as account information will be delivered to this Email)
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Application with CCDC

Beneficiary account for withdrawing DVP settlement funds	■ Use the corporate settlement account opened with a commercial bank	Bank number in the payment system	(12-digit)	
		Bank name in the payment system		
		Cash account number		
		Cash account name	(up to 30 characters)	
Beneficiary account for principal and interest payments	<input type="checkbox"/> Use the corporate settlement account opened with a commercial bank (the same as the beneficiary account for DVP settlement funds) <input type="checkbox"/> Use the dedicated cash account for bond settlement at CCDC			
Invoice contact person	Name		Telephone	
	Address			
	Postcode			

Application with SHCH

Beneficiary account for withdrawing DVP settlement funds	■ Use the corporate settlement account opened with a commercial bank	Bank number in the payment system	(12-digit)	
		Bank name in the payment system		
		Cash account number		
		Cash account name	(up to 30 characters)	
	<input type="checkbox"/> Automatically return the balance in dedicated cash account at the end of day (by default) <input type="checkbox"/> Withdraw the balance in dedicated cash account on the investor's own initiative			
Beneficiary account for principal and interest payments	<input type="checkbox"/> Use the corporate settlement account opened with a commercial bank (the same as the beneficiary account for DVP settlement funds) <input type="checkbox"/> Use the dedicated cash account for bond settlement at SHCH			
Invoice contact person	Name		Telephone	
	Address			
	Postcode			

Information on the operator responsible for the application

Name		Institution and department	
Business phone		Mobile phone	
Fax		Email	
Address			
Postcode			

Reserved seal

Official seal of overseas institutional investor or signature of legal (or authorized) representative	Official seal of settlement agent (seal for settlement agency business)