

**Regulatory  
Developments**

**CBRC issued the “Interim Provisions on the Administration of Specialized Subsidiaries of Financial Leasing Companies”**

Recently, China Banking Regulatory Commission (CBRC) issued the “Interim Provisions on the Administration of Specialized Subsidiaries of Financial Leasing Companies” (Provisions). The Provisions consist of 4 chapters with a total of 33 articles, covering general provisions, establishment, alteration and termination of business, as well as business rules and supervision. In the first place, the Provisions highlight specialization of organizations, allowing financial leasing companies to establish specialized leasing subsidiaries in specific business areas such as aircraft and ships; in the second place, the Provisions promote market-oriented operations, allowing specialized subsidiaries to set up overseas project companies for financial leasing business, so as to enhance their ability to participate in international competition; and in the third place, the provisions emphasize consolidated supervision and effective risk management and control through strengthening supervision on capital adequacy ratio of domestic specialized subsidiaries.

[CBRC News](#) (Currently Only Available in Chinese)

**CBRC approved three private banks**

China Banking Regulatory Commission (CBRC) has recently approved the establishment of three private banks. One of the newly approved private banks is Shenzhen Webank, jointly initiated by Chinese Internet giant Tencent Holdings and two local firms, Shenzhen Baiyeyuan Investment Co and Shenzhen Liye Group. The other two private banks will be set up in Wenzhou and Tianjin. With the goal of providing efficient and differentiated financial services to the real economy, each of the three pilot banks has its own characteristics in terms of development strategy and market positioning. For example, Shenzhen Qianhai Webank will be a bank offering services to individual consumers and small and micro enterprises; the bank in Wenzhou will focus on providing inclusive financial services to small and micro enterprises, individual businesses and community residents in Wenzhou area and “Agriculture, Countryside and Farmers” at the county level; and the bank in Tianjin will prioritize corporate business in Tianjin region.

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**Project Asset-backed Scheme of Insurance Asset Management Companies to restart**  
China Insurance Regulatory Commission (CIRC) recently issued a document to spell

out clear instructions on the underlying asset and structure of investment under the “Project Asset-backed Scheme”. According to regulations, professional management agencies such as insurance asset management companies can serve as a trustee of the “Project Asset-backed Scheme” to obtain underlying assets from original owner via transfer transactions or other means, and issue beneficiary certificates whose payment is backed by cash flows generated by the underlying assets. The industry estimates that following the release of this regulation, approval of such Schemes, which was suspended at end of last year, will restart.

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