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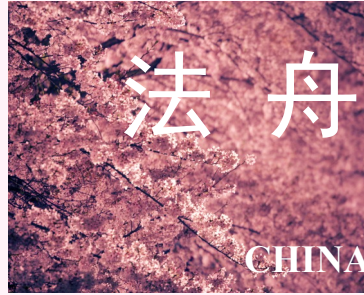
## Highlights

- **Provisions on Issues Concerning Further Regulating the Establishment of Business Offices of Futures Companies**
- **Interim Provisions on Public Securities Investment Fund Management Business Operated by Asset Management Institution**
- **Opinions of the China Insurance Regulatory Commission on Further Exerting the Role of Insurance Brokerage Companies on Promoting the Insurance Innovation**

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# OASIS OF LAW

CHINA LAW NEWSLETTER

## NEWS

### Provisions on Issues Concerning Further Regulating the Establishment of Business Offices of Futures Companies

Announcement of the China Securities Regulatory Commission [2013] No. 11

Effective as of 20<sup>th</sup> FEB 2013

#### CONDITIONS

A futures company that applies for the establishment of a business office shall satisfy the following requirements:

1. It is not under investigation by the competent authority due to suspected violation of laws or regulations in its business or is ordered by the China Securities Regulatory Commission ("CSRC") and the dispatched offices of CSRC to make corrections within a specified time limit or is taken against regulatory measures stipulated in Paragraph 2 of Article 56 of the Administrative Regulations on Futures Trading and has not been subject to administrative sanctions or criminal punishment due to its violation of laws or regulations in its business in recent one year;
2. its risk monitoring indicators continuously comply with the stipulated standards within the three months prior to its application for establishment of the business office and during the review of its application, and the risk monitoring indicators calculated based on simulation of establishment of the new business office comply with the stipulated standards;
3. It complies with the provisions in relation to the protection of client assets and the security, custody and monitoring of futures deposit, and it has not received any major early warning regarding the security and custody of futures deposit or is not exposed to any circumstance that materially affect the security of the futures deposit for reasons attributable to itself;
4. The categorized monitoring rating of the futures company in the most recent time shall be or superior than C level in the C category;
5. Its corporate governance and internal control system complies with relevant provisions and are effectively implemented;
6. The principal candidates of its business office are eligible and the personnel to take the business positions have the qualifications to engage in futures business;
7. The positions of the business office to be established have definite responsibilities and duties and reasonable labor division, which match the business plan of the office;
8. The business place and facilities of the business office to be established satisfy the needs of futures business;
9. It abides by relevant provisions on anti-money laundering; and
10. It satisfies other requirements stipulated by CSRC pursuant to the prudent monitoring principle.

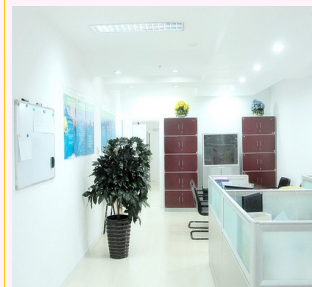
Company on the strength of its Business License and the approval documents within ten business days upon receipt of the Business License of the business office. The business office may not conduct any external operational activity prior to receipt of the Business License or the Operation Permit for the Business Office of a Futures Company.

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#### MATERIALS

A futures company shall file with the dispatched office of CSRC of the place where the business office is located within five business days upon receipt of the Operation Permit for the Business Office of the Futures Company, and submit the following filing materials:

1. Report on business opening preparation of the business office;
2. Statement on the qualifications of the principal of the business office;
3. Materials evidencing that the positions and staffing of the business office comply with the provisions of Article 11 and Article 12 of the Administrative Provisions on Business Offices of Futures Companies (for Trial Implementation) (Announcement of the China Securities Regulatory Commission [2011] No. 33);
4. Materials evidencing that the business place and facilities of the business office comply with the provisions of Article 3 and Article 4 of the Administrative Provisions on Futures Sales Departments (for Trial Implementation);
5. Copies of the Business License and the Operation Permit for the Business Office of a Futures Company of the business office; and
6. Other materials required by CSRC.



#### LICENSE

The futures company shall apply with CSRC for the Operation Permit for the Business Office of a Futures



## Interim Provisions on Public Securities Investment Fund Management Business Operated by Asset Management Institutions

Announcement of the China Securities Regulatory Commission [2013] No.10

Effective as of 1<sup>st</sup> JUN 2013

### DEFINITION

For the purposes of these Provisions, "Assets Management Institutions ("AMIs")" refer to the securities companies, insurance assets management companies and assets management institutions specialized in non-public securities investment fund management business (hereinafter referred to as the "PE Securities Investment Fund Management Institutions") that are legally incorporated in China.

### CONDITION

The AMIs applying for carrying out Fund management business shall meet the following conditions:

1. With at least three years experience in securities assets management, and good performance of securities products under their management in the latest three years;
2. With sound corporate governance, sophis-

## Opinions of the China Insurance Regulatory Commission on Further Exerting the Role of Insurance Brokerage Companies on Promoting the Insurance Innovation

Bao Jian Fa [2013] No. 16

Effective as of 25<sup>th</sup> FEB 2013

### CONDUCT COOPERATION TO PROMOTE THE INSURANCE INNOVATION

Encourage insurance companies and insurance brokerage companies to conduct cooperation to promote the insurance innovation. The insurance brokerage companies have conducted positive exploitation in term of risk data collection, professional talent reservation, and insurance product research and development mechanism, and have equipped with solid foundation. The insurance companies are encouraged to, while optimizing their own insurance product research and development mechanism, strengthen the cooperation with the insurance brokerage companies, to exert the advantages of insurance brokerage companies, explore and establish data sharing and service linkage and other working mechanism, and conduct jointly risk management research and insurance product development.

### RESPECT AND EMBODY THE ACHIEVEMENTS

Respect and embody the achievements of insurance brokerage companies on promoting the insurance innovation. It is encouraged to take diversified and flexible measures to display the contribution of the insur-

anced internal control and effective risk management;

3. With good state of operation and financial soundness in the latest three years;
4. Acting in good faith and compliance, with no material illegal or irregular record with the regulatory authorities in the latest three years and no illegal or irregular activity that is currently under investigation by the regulatory authorities, and without being under any correction for the present;
5. Being a member of the AMAC; and
6. Other conditions as required by the CSRC.'

### PE SECURITIES FUND MANAGEMENT

The PE Securities Fund Management Institutions applying for carrying out Fund management business shall also meet the following conditions in addition to those provided in Article 5:

1. With a paid-in capital or actual paid-in contribution of no less than CNY10 million; and
2. With a scale of securities assets under management of no less than CNY2 billion in the latest three years.

ance brokerage companies on designing the insurance clauses, and developing the insurance products and to protect their enthusiasm to participate in the insurance innovation. Where the insurance companies adopt the insurance clauses, insurance products developed independently by the insurance brokerage companies or jointly with other companies, the insurance companies shall state the same upon reporting the products to the regulatory authorities and may make special illustration or definite marking on the insurance policy. Particularly, where the insurance brokerage companies propose reasonable requirements, the insurance companies shall respect the intension of the insurance brokerage companies.

disputed, and within 20 days after the receipt of such objection, review and process the disputed information and notify the individual or entity making such an objection of the review results in writing. Where the existence of the alleged error or omission is confirmed after proper review, the credit reporting entity and information provider shall make proper correction; where the existence of the alleged error or omission is ruled out, the indication of the information as "under dispute" shall be removed; where the existence of such alleged error or omission cannot be confirmed or ruled out after the review, records shall be kept on the review result and objection.

