

**Annual Report of the State
Administration of Foreign Exchange
2014**

State Administration of Foreign Exchange



The background of the page features a series of layered, misty mountain ranges in shades of light green and blue, creating a sense of depth and tranquility. The mountains are rendered with soft, semi-transparent layers, giving the impression of a hazy, atmospheric landscape.

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Administrator's Message

In 2014, the international environment was complex and volatile, while the task of conducting domestic reform, achieving development and maintaining stability was daunting. Given this, the CPC Central Committee and the State Council deepened the reform in an all-round way, by following the macro development trends and the overall principle of making progress while maintaining stability. They maintained the consistency and stability of macro policies, innovated the thinking and ways of macro management, and conducted targeted preliminary adjustment and fine tuning, thus accomplishing all their tasks and ensuring the stable and sustainable development of the economy and society.

Further improvement was seen in China's balance of current accounts in 2014. The surplus reached USD 219.7 billion, representing a year-on-year increase of 48 percent, and its ratio to GDP was 2.1 percent, which remained within the internationally accepted reasonable scope. Net inflow was maintained in capital and financial accounts while cross-border capital flows were more fluctuating, with a surplus of USD 38.2 billion in the year, down by 89 percent from 2013. As of the end of the year, China's foreign exchange reserves amounted to USD 3.84 trillion.

China's balance of payments fluctuated and moved to a basic equilibrium in 2014. The influence of the capital and financial account on foreign exchange became more evident while exchange rate, interest rate and market expectations also played a larger role. First, with the RMB exchange rate reaching a balanced level, the People's Bank of China (the PBC) exited from the normal intervention in the foreign exchange market, market players' expectations and behavior diverged, but they became more willing to

hold and use foreign exchanges. Second, as the expectation of unilateral appreciation of the RMB was dampened, the balance sheet of foreign currency was adjusted voluntarily by market players, leading to less foreign currency-denominated liabilities, shrinking of trade finance by companies and decline of foreign exchange loans of banks. Third, cross-market arbitrage was done in a way of "foreign exchange settled abroad and purchased at home", rather than the previous "foreign exchange settled at home and purchased abroad", thus amplifying the short-term fluctuations of the foreign exchange market.

By following the plans of the CPC Central Committee and the State Council, foreign exchange administration departments took foreign exchange administration reform as our top priority in the year. We advanced the "five changes" in foreign exchange administration and slashed administrative approval items to promote administration streamlining and power delegation, as well as facilitate trade and investment. We piloted reforms such as centralized operations of multinational corporations' (MNCs') foreign exchange funds and discretionary settlement of foreign exchange capital to promote the development of the foreign exchange market and expand the capital utilization channels for "going abroad". We improved the statistics and monitoring system for cross-border capital flows and stepped up foreign exchange inspection to strengthen their capabilities in ongoing and ex-post regulation. We innovated and enhanced operations, management and utilization of foreign exchange reserves and persistently improved their capabilities in serving the economic restructuring, transformation and upgrading. To sum up, we successfully completed their tasks set at the beginning of the year.

Looking ahead to 2015, the global economic recovery will remain unbalanced, the monetary policy orientations of the US, Europe, Japan and other major economies will diverge, and the international financial market

will be more fluctuating. Domestically, as China enters the new normal of economic development, China will continue to see a current account surplus and bidirectional fluctuations of capital and financial account, so long as the economic fundamentals and geopolitical environment don't change amid the complex and volatile economic and financial situations at home and abroad.

The year 2015 is key to the deepening of the reform in an all-round way, and marks the first year to advance Rule of Law as well as the last year to complete the 12th "Five-Year" Plan. Following the spirit of the 18th CPC National Congress and the 3rd and 4th Plenary Sessions of the 18th CPC Central Committee, and the plans of the Central Economic Work Conference, foreign exchange administration departments should adapt to the new normal of economic development and accelerate the "five changes" in foreign exchange administration in the year to achieve the goal of realizing basic equilibrium of balance of payments. Focusing on making breakthroughs in the reform, we should increase the convertibility of cross-border capital and financial trades in a good order, vigorously develop the foreign exchange market, intensify risk prevention and control, build and improve the external debts and capital flows management system under the macro-prudential management framework, and innovate and enhance the operation, management and utilization of foreign exchange reserves, so as to promote the stable and healthy economic development.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the Chinese characters '王岐山' (Wang Qishan).



Management of the SAFE



Mr. Yi Gang

Administrator, State
Administration of
Foreign Exchange
(July 2009–)



Mr. Deng Xianhong
Deputy Administrator, State
Administration of Foreign
Exchange
(October 2004–)



Mr. Fang Shangpu
Deputy Administrator, State
Administration of Foreign
Exchange
(June 2006–)



Mr. Wang Xiaoyi
Deputy Administrator, State
Administration of Foreign
Exchange
(December 2007–)



Mr. Li Chao
Deputy Administrator, State
Administration of Foreign
Exchange
(December 2008–)



Mr. Yang Guozhong
Discipline Inspection Group
Leader of the CPC Leading
Group of the SAFE
(September 2011–)



Ms. Han Hongmei
Chief Accountant, State
Administration of Foreign
Exchange
(November 2012–)

Major Functions and Organizational Structure of the State Administration of Foreign Exchange

I. Major Functions

1. To study and propose policy suggestions for reforming the foreign exchange administration system so as to prevent balance of payments risks and to promote an equilibrium in the balance of payments; to study policy measures to make gradual advances in the convertibility of the RMB under the capital account and to cultivate and develop the foreign exchange market; and to provide suggestions to and a foundation for the People's Bank of China to formulate policy on the RMB exchange rate.
2. To participate in the drafting of relevant laws, regulations, and departmental rules on foreign exchange administration and to release and carry out those duties related to the regulatory documents.
3. To oversee the statistics and monitoring of the balance of payments and external credit and debt, to release relevant information according to the regulations, and to undertake related work with respect to the monitoring of cross-border fund flows.
4. To supervise and manage the state foreign exchange market; to undertake supervision and management of the settlement and sale of foreign exchange; and to cultivate and develop the foreign exchange market.
5. To supervise and check the authenticity and legality of foreign exchange receipts and payments under the current account according to the law; to implement foreign exchange administration under the capital account according to the law; to continuously improve management work in line with

the process of the convertibility of the RMB under the capital account; and to regulate management of overseas and domestic foreign exchange accounts.

6. To implement supervision and inspections of foreign exchange activities according to the law and to punish behavior that is in violation of foreign exchange administration.

7. To undertake operations and management of foreign exchange reserves, gold reserves, and other foreign exchange assets of the state.

8. To arrange developmental planning, standards, and criteria for IT-based foreign exchange administration and to organize the relevant implementation; and to carry out supervisory information-sharing with related administrative departments according to the law.

9. To participate in relevant international financial activities.

10. To undertake other matters as assigned by the State Council and the People's Bank of China.

II. Internal Departments

In addition to its Communist Party of China (CPC) Committee, the SAFE Head Office consists of nine functional departments, including the General Affairs Department (the Policy and Regulation Department), the Balance of Payments Department, the Current Account Management Department, the Capital Account Management Department, the Supervision and Inspection Department, the Reserves Management Department, the Human Resources Department (the Internal Auditing Department), the Science and Technology Department, and the Supervision Office.

General Affairs Department (Policy and Regulation Department): Carries out routine operational work, such as document management, meeting

arrangements, management of confidential materials and archives, and work concerning security, confidentiality, emergency management, news releases, and so forth; exercises management over financial affairs, assets, and foreign affairs; studies significant issues regarding foreign exchange administration and makes policy recommendations; participates in the drafting of relevant laws, regulations, and departmental rules; examines the legality of regulatory documents and participates in the drafting of important comprehensive documents; and carries out relevant administrative responses to legal suits, administrative reconsiderations, and hearings.

Balance of Payments Department: Undertakes the design and implementation of the statistical systems for the balance of payments, foreign exchange receipts and payments, and foreign exchange settlements and sales, and prepares the relevant statements; conducts monitoring, analysis, and early warnings on cross-border fund flows; exercises supervision and management of the foreign exchange receipts and payments of banks and of the banks' own foreign exchange settlements and sales businesses; and takes responsibility for supervision and management of the state foreign exchange market; and oversees the RMB exchange rate and provides the People's Bank of China (PBC) with recommendations and a basis for formulating RMB exchange rate policies.

Current Account Management Department: Carries out supervision and management of foreign exchange receipts and payments under the current account, examination of the authenticity of foreign currency exchange, and supervision and management of foreign exchange accounts both at home and abroad; undertakes management of market access for the relevant foreign exchange business of insurance financial institutions and management of foreign exchange receipts and payments and foreign currency exchange; and draws up administrative regulations for entry-exit quotas regarding the

carrying and declaration of cash in foreign currencies, and so forth.

Capital Account Management Department: Carries out supervision and management of transactions under the capital account, foreign exchange receipts and payments, foreign currency exchange, and the use of funds and foreign exchange accounts both at home and abroad; carries out registration for direct investments, management of foreign currency exchange, and relevant statistical monitoring in accordance with the law; exercises the relevant management of short-term external debt, contingent liabilities, external claims, and so forth; undertakes management of the registration and statistical monitoring of all of the requirements for the external debt; carries out management of market access for the relevant foreign exchange businesses of non-bank financial institutions other than insurance institutions and management of foreign exchange receipts and payments and foreign currency exchange; and carries out registration and management of foreign exchange receipts and payments related to cross-border investments in securities or derivative transactions.

Supervision and Inspection Department: Carries out foreign exchange inspections, investigates and imposes penalties in accordance with the law on activities in violation of the foreign exchange administration regulations; participates in campaigns to combat underground money shops, assists the public security and judicial authorities in investigating illegal foreign exchange transactions, evasion of exchange controls, fraudulent purchases of foreign exchange, and other illegal foreign exchange activities; and conducts inspections of the foreign exchange receipts and payments of institutions and individuals and of other activities related to foreign exchange operations.

Reserves Management Department: Studies and proposes strategies, principles, and policy recommendations for the operation and management of foreign exchange reserves and gold reserves, and draws up and implements

overall operational proposals; supervises and inspects the operational status of entrusted reserve assets; carries out relevant coordination and cooperation with international institutions, participates in relevant international financial activities, and undertakes relevant work with respect to informational exchanges and cooperation with the Hong Kong SAR, Macao SAR, and Taiwan Province; and studies and draws up principles for the operation of other entrusted foreign exchange assets.

Human Resources Department (Internal Auditing Department): Handles personnel work for the SAFE Head Office and its directly affiliated institutions according to its administrative authority; and undertakes management of retirees of the SAFE and conducts internal audit activities as authorized.

Science and Technology Department: Draws up the science and technology development plan for foreign exchange administration and engages in science and technology development work for the national foreign exchange administration system; studies and formulates standards and criteria for IT-based foreign exchange administration and organizes the relevant implementation; and carries out supervisory information-sharing with the relevant administrative departments according to the law and takes responsibility for the information-security work of the SAFE.

Supervision Office: Under the leadership of the CPC Central Commission for Discipline Inspection and the CPC Leading Group of the SAFE, and under the guidance of the Commission for Discipline Inspection of the PBC, the Supervision Office is responsible for discipline inspection and supervision of the organs of the units directly affiliated with the SAFE, and assists the Commission for Discipline Inspection of the PBC and the Ministry of Supervision's Supervisory Bureau at the PBC to carry out discipline inspection and supervision of the SAFE branches.

SAFE CPC Committee: Under the leadership of the CPC Leading Group of the SAFE and under the guidance of the CPC Committee of the PBC, the SAFE CPC Committee is responsible for the work of the organs and the Beijing units directly affiliated with the SAFE that are related to Party building, labor unions, the Communist Youth League, women, the United Front, and to provide support to the poor.

III. Affiliated Institutions

Four public service units are under the management of the SAFE, including the SAFE Investment Center, the Data Monitoring Center for Foreign Exchange Transactions, the General Services Center, and the Editorial Office for *Foreign Exchange of China* Magazine.

SAFE Investment Center: In accordance with the operational strategies and principles of China's foreign exchange reserves and upon approval of the operations of the PBC's foreign exchange deposit reserves under entrustment and so forth, SAFE Investment Center is responsible for the operation and management of China's foreign exchange reserves and gold reserves. It is also responsible for following, researching, and analyzing the international economic and financial situations, and providing decision-making support for reserves operations; developing a mode for asset management, medium and long-term strategies, and a short-term plan for operations and management of China's foreign exchange reserves and gold reserves, and organizing implementation thereof; determining the overall principles for risk management of reserves operations, establishing a risk management system and an internal control system, and guarding against various risks; developing accounting principles and methods, and, upon approval, organizing implementation thereof; carrying out trade clearing and account management for reserves operations; carrying out entrusted operations and management

of reserves assets; expanding innovation in the utilization of foreign exchange reserves, and conducting business related to entrusted loans from the foreign exchange reserves; carrying out work related to coordination and cooperation among international institutions, participating in relevant international financial activities, and engaging in work related to exchanges and cooperation with the Hong Kong SAR, Macao SAR, and Taiwan Province; and researching and drafting other principles for entrusted operations of the foreign exchange assets.

Data Monitoring Center for Foreign Exchange Transactions: Is responsible for drawing up science and technology development plans for the national foreign exchange administration system; studying and formulating standards and specifications for IT-based foreign exchange administration and organizing implementation thereof; ensuring informational security for foreign exchange administration; constructing e-government for foreign exchange administration; undertaking data collection, management, and supervision of foreign exchange businesses; organizing construction and promotion of applications and operations, and maintenance as well as emergency security for the foreign exchange administration IT system and other technological projects; and sharing supervisory information with relevant departments in accordance with the law.

General Services Center: Formulates the procedures, rules, and regulations for the general logistics of the SAFE Head Office, and provides logistical services, document printing, asset management, communications, security and safeguards, reception services, medical and health care, and so forth for the Head Office.

Editorial Office for *Foreign Exchange of China Magazine*: Is responsible for editing, publishing, and distributing *China Forex*.

Organizational Chart of the SAFE Head Office and Affiliated Institutions, 2014

State Administration of Foreign Exchange

Functional Departments and the CPC Committee

General Affairs Department (Policies and Regulations Department)	Secretary Division General Foreign Affairs Division Policy Research Division Regulations Division Press and Information Division Internal Finance Division Confidentiality and Archives Division Government Procurement Office
Balance of Payments Department	General Affairs Division Analysis and Forecast Division Balance of Payments Statistics Division Banking Supervision Division Exchange Rate and Market Division
Current Account Management Department	General Affairs Division Goods Trading Management Division Services Trading Management Division Supervision Division
Capital Account Management Department	General Affairs and Analysis Division Investment Management Division External Debt Management Division Capital Market Division
Supervision and Inspection Department	General Affairs Division Off-site Inspection and Internal Control Division Financial Institutions Inspection Division Non-Financial Institutions Inspection Division
Reserve Management Department	Identical to SAFE Investment Center
Human Resources Department (Internal Auditing Department)	General Affairs Division Personnel Division Training and Sector Arrangement Division Internal Auditing Division
Science and Technology Department	Identical to Monitoring Center
Supervision Office	Disciplinary Office
SAFE CPC Committee	Executive Office Staff Union

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Affiliated Institutions

SAFE Investment Center	<p>General Affairs Department Asset Allocation Department Investment Management Department External Managers Department SAFE Co-Financing Risk Management Department Operation Department Information Technology Department Human Resources/CPC Committee Internal Audit Department Overseas Offices (in Singapore, Hong Kong, London, New York and Frankfurt)</p>
Monitoring Center	<p>General Affairs Division Planning Division Science and Technology Management and Information Security Office Data Management Division Application System Division Technology Engineering Division Operation and Emergency Security Division</p>
General Service Center	<p>General Affairs Division Fixed-Asset Management Division Security Division Internal Financial Office Documentation Service Office</p>
Editorial Office for <i>Foreign Exchange of China Magazine</i>	



IV. Branch Networks

The SAFE has set up branches or administrative offices in various provinces, autonomous regions, and municipalities directly under the Central Government, as well as in some cities with sub-provincial status. In addition, the SAFE has established a number of central sub-branches and sub-branches in various cities and counties. These branches, central sub-branches, and sub-branches operate on the same premises as the local PBC branches and sub-branches. As of the end of 2014, the SAFE network consisted of the following:

SAFE Network	Branches (Administrative Offices)	Central Sub-branches	Sub-branches
Number of Institutions	36	308	519

Organizational Chart of the SAFE Branch Network, 2014

State Administration of Foreign Exchange			Central Sub-branches	Sub-branches
Branches (Administrative Offices)				
1	Tianjin Branch	General Affairs Division Balance of Payments Division Current Account Management Division Capital Account Management Division Foreign Exchange Inspection Division	1	0
2	Liaoning Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division Foreign Exchange Inspection Division	12	2

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Branches (Administrative Offices)		Central Sub-branches	Sub-branches
3	Shanghai Branch		
	General Affairs Division		
	Balance of Payments Division		
	Current Account Management Division	0	0
	Capital Account Management Division		
	Foreign Exchange Inspection Division		
4	Jiangsu Branch		
	General Affairs Division		
	Balance of Payments Division		
	Current Account Management Division	12	41
	Capital Account Management Division		
	Foreign Exchange Inspection Division		
5	Shandong Branch		
	General Affairs Division		
	Balance of Payments Division		
	Current Account Management Division	15	92
	Capital Account Management Division		
	Foreign Exchange Inspection Division		
6	Hubei Branch		
	Balance of Payments Division (General Affairs Division)		
	Current Account Management Division	12	18
	Capital Account Management Division		
	Foreign Exchange Inspection Division		
7	Guangdong Branch		
	General Affairs Division		
	Balance of Payments Division		
	Current Account Management Division	19	65
	Capital Account Management Division		
	Foreign Exchange Inspection Division		
	Foreign Exchange Business Office		
8	Sichuan Branch		
	Balance of Payments Division (General Affairs Division)		
	Current Account Management Division	20	16
	Capital Account Management Division		
9	Shaanxi Branch		
	Balance of Payments Division (General Affairs Division)		
	Current Account Management Division	9	2
	Capital Account Management Division		
10	Beijing Administrative Office		
	General Affairs Division		
	Balance of Payments Division		
	Current Account Management Division	1	0
	Capital Account Management Division		
	Foreign Exchange Inspection Division		

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Branches (Administrative Offices)		Central Sub-branches	Sub-branches	
11	Chongqing Administrative Office	Balance of Payments Division	8	2
		Current Account Management Division		
		Capital Account Management Division		
12	Hebei Branch	Balance of Payments Division (General Affairs Division)	10	75
		Current Account Management Division		
		Capital Account Management Division		
		Foreign Exchange Inspection Division		
13	Shanxi Branch	Balance of Payments Division	10	1
		Foreign Exchange Administration Division		
14	Inner Mongolia Branch	Balance of Payments Division (General Affairs Division)	11	7
		Current Account Management Division		
		Capital Account Management Division		
15	Jilin Branch	Balance of Payments Division	8	2
		Current Account Management Division		
		Capital Account Management Division		
16	Heilongjiang Branch	Balance of Payments Division (General Affairs Division)	12	14
		Current Account Management Division		
		Capital Account Management Division		
		Foreign Exchange Inspection Division		
17	Zhejiang Branch	Balance of Payments Division	9	39
		Current Account Management Division		
		Capital Account Management Division		
		Foreign Exchange Inspection Division		
18	Fujian Branch	Balance of Payments Division (General Affairs Division)	7	45
		Current Account Management Division		
		Capital Account Management Division		
		Foreign Exchange Inspection Division		
19	Anhui Branch	Balance of Payments Division (General Affairs Division)	16	6
		Current Account Management Division		
		Capital Account Management Division		
20	Henan Branch	Balance of Payments Division	17	16
		Current Account Management Division		
		Capital Account Management Division		

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Branches (Administrative Offices)		Central Sub-branches	Sub-branches
21	Jiangxi Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division	10 12
22	Hunan Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division	13 3
23	Guangxi Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division	13 7
24	Hainan Branch	Balance of Payments Division Current Account Management Division Capital Account Management Division	1 12
25	Guizhou Branch	Balance of Payments Division (General Affairs Division) Foreign Exchange Administration Division	8 0
26	Yunnan Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division	15 20
27	Tibet Branch	Foreign Exchange Administration	5 0
28	Gansu Branch	Balance of Payments Division (General Affairs Division) Foreign Exchange Administration Division	13 1
29	Ningxia Branch	Balance of Payments Division (General Affairs Division) Foreign Exchange Administration Division	4 1
30	Qinghai Branch	Balance of Payments Division (General Affairs Division) Foreign Exchange Administration Division	2 1
31	Xinjiang Branch	Balance of Payments Division (General Affairs Division) Current Account Management Division Capital Account Management Division	14 4

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Branches (Administrative Offices)		Central Sub-branches	Sub-branches	
32	Shenzhen Branch	General Affairs Division		
		Balance of Payments Division		
		Current Account Management Division	0	0
		Capital Account Management Division		
		Foreign Exchange Inspection Division		
33	Dalian Branch	Balance of Payments Division (General Affairs Division)	1	3
		Current Account Management Division		
		Capital Account Management Division		
34	Qingdao Branch	Balance of Payments Division (General Affairs Division)	0	6
		Current Account Management Division		
		Capital Account Management Division		
35	Xiamen Branch	Balance of Payments Division (General Affairs Division)	0	0
		Current Account Management Division		
		Capital Account Management Division		
36	Ningbo Branch	Balance of Payments Division (General Affairs Division)	0	6
		Current Account Management Division		
		Capital Account Management Division		



China's Macro Economy

The national economy developed smoothly under the new normal. In 2014, the international environment was complex and volatile, while the task of conducting domestic reform, achieving development and maintaining stability was daunting. Given this, the CPC Central Committee and the State Council deepened the reform in an all-round way, by following the macro development trends and the overall principle of making progress while maintaining stability. They maintained the consistency and stability of macro policies, innovated the thinking and ways of macro management, and conducted targeted preliminary adjustment and fine tuning, thus accomplishing all their tasks and ensuring the stable and sustainable development of the economy and society. In 2014, China's GDP reached RMB 63.6463 trillion, up 7.4 percent from 2013.

Industrial production was kept within the rational range. In 2014, industrial added value totaled RMB 22.7991 trillion, up 7.0 percent from 2013. Industrial added value of enterprises above a designated size rose 8.3 percent. Industrial enterprises above a designated size achieved total profits of RMB 6.47153 trillion throughout the year, an increase of 3.3 percent from 2013.

The fixed assets investment slowed down, and market sales maintained stable and rapid growth. In 2014, the annual investment in fixed assets totaled RMB 50.2005 trillion, an increase of 15.7 percent over 2013, with the growth rate down by 3.7 percentage points against 2013. After adjusting for inflation, the real increase was 15.1 percent. Total revenue from retail of consumer goods was RMB 26.2394 trillion, a year-on-year increase of 12.0 percent or a real (inflation-adjusted) growth of 10.9 percent.

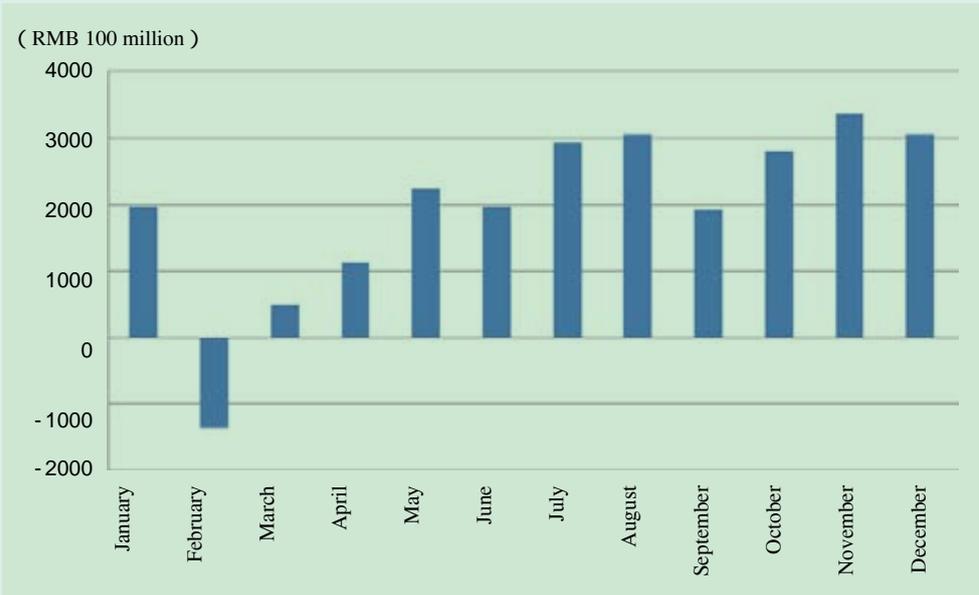
The price rose slightly. In 2014, China's CPI rose by 2.0 percent year on year. Specifically, food prices rose by 3.1 percent, and prices of fixed-asset investments were up by 0.5 percent. The PPI dropped by 1.9 percent, the

IPI dropped by 2.2 percent, and producer prices for agricultural products dropped by 0.2 percent. 68 out of 70 large and medium-sized cities recorded a year-on-year decrease in the sales prices of newly-built commercial housing.

The incomes of urban and rural residents continued to increase. In 2014, the per capita disposable income of rural residents was RMB 10489, up by 11.2 percent year on year, or 9.2 percent on an inflation-adjusted basis. The per capita disposable income of urban residents reached RMB 28844, up by 9.0 percent year on year or 6.8 percent in real terms.

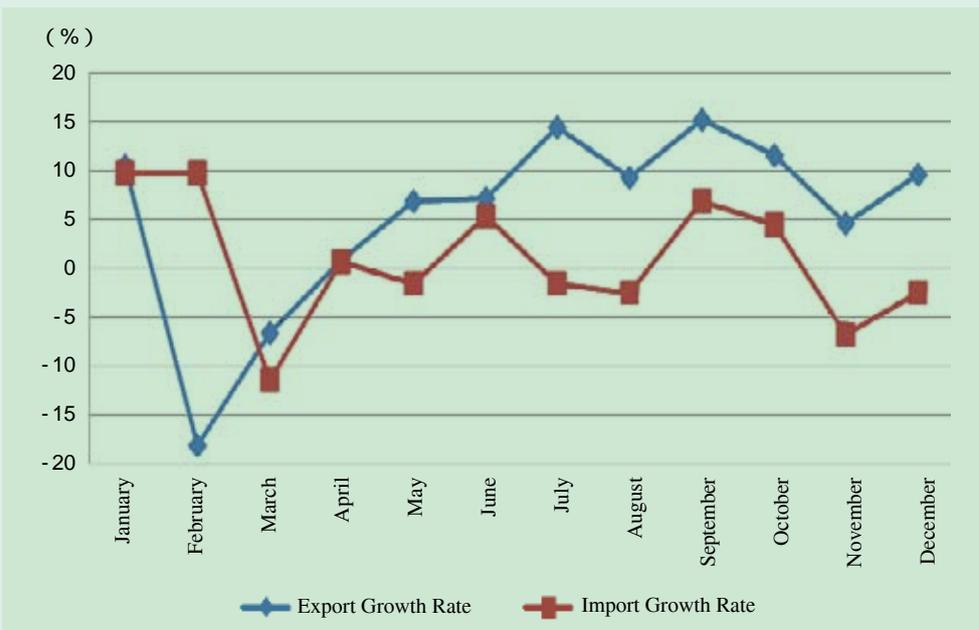
The overall money supply was steady. At the end of 2014, the broad money supply (M_2) posted a balance of RMB 122.8 trillion, a rise of 12.2 percent year on year; the balance of narrow money supply (M_1) increased by 3.2 percent year on year to RMB 34.8 trillion; and the balance of currency in circulation (M_0) increased by 2.9 percent year on year to RMB 6.03 trillion. The social financing reached RMB 16.5 trillion in the year, RMB 859.8 billion less than that in 2013 as calculated on comparable terms. At the end of 2014, the outstanding deposits denominated in domestic and foreign currencies of all financial institutions amounted to RMB 117.4 trillion, a year-on-year increase of 9.6 percent. The outstanding loans in domestic and foreign currencies of all financial institutions totaled RMB 86.8 trillion, a year-on-year increase of 13.3 percent.

Foreign trade maintained stable growth. In 2014, the value of imports and exports totaled RMB 26.4 trillion, a year-on-year increase of 2.3 percent. The value of exports increased by 4.9 percent year on year to RMB 14.39 trillion, whereas the value of imports decreased by 0.6 percent year on year to RMB 12.0 trillion. The trade surplus reached RMB 2.35 trillion, representing a year-on-year increase of 45.9 percent.



Source: National Bureau of Statistics.

Figure 1 China's Monthly Trade Surplus, 2014



Source: National Bureau of Statistics.

Figure 2 Growth Rates of China's Imports and Exports, 2014

Global Economic and Financial Situations

Uneven recovery of the global economy. The year 2014 witnessed a mild recovery of the world economy. According to data from the International Monetary Fund (IMF), the global economy grew by 3.3 percent in 2014. The developed countries grew slightly faster, characterized by "strong growth in the UK and the US while fragile growth in the Eurozone and Japan". The emerging markets, however, saw a slower growth, with the gap with that of the developed countries narrowing from 4.4 percent in 2010 to 2.6 percent, and polarized performance, with India, Mexico and some Southeast Asian countries performing better while Brazil and Russia stagnating.

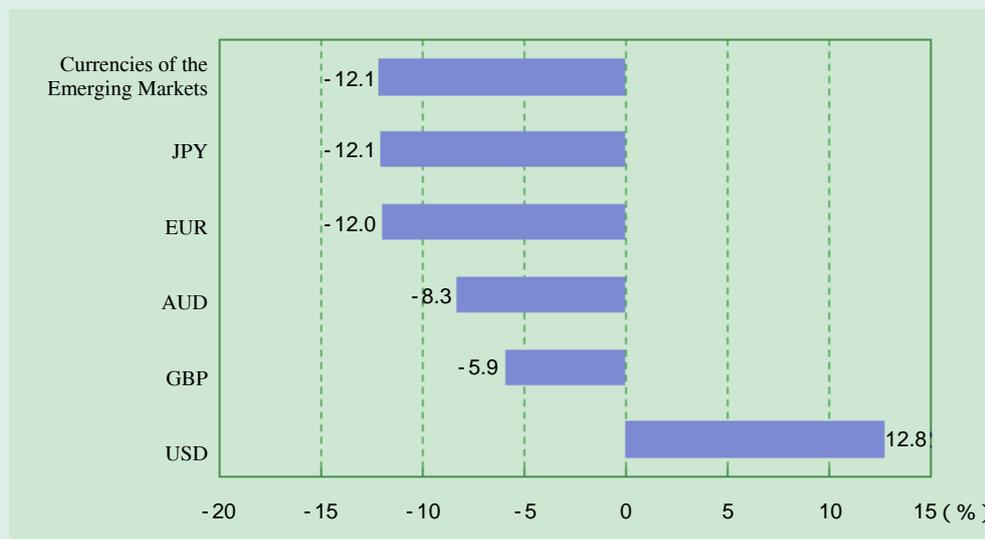
Global inflation maintaining at a low level. Most economies saw stable but declining inflations in 2014 due to large output shortages in developed countries, slower growth in emerging markets, and dropping oil prices, which was especially evident in the second half. According to IMF statistics, by the end of 2014, the global CPI increased by 2.8 percent on a year-on-year basis, down 0.5 percentage point from the beginning of the year, with the CPI in developed countries and in emerging markets declining by 0.6 and 0.4 percentage point to 0.7 and 5.3 percent respectively.

Further differentiated global monetary policies. Major developed countries adopted loose-monetary policies in 2014. while the policies among different countries were differentiated. The US Federal Reserve ended Quantitative Easing(QE) and modified forward guidance. The European Central Bank continued to launch a QE package, including cutting the benchmark interest rate to 0.05 percent, introduction of a negative interest rate, launch of targeted long-term refinancing operations (TLTROs), and launch of

the Asset-Backed Securities Purchase Programme and the Covered Bond Purchase Programme, and promised to keep introducing unconventional measures including QE to stabilize inflation expectations. As the negative impact of tax increase was worse than expected, the Japanese Central Bank announced to expand Quantitative and Qualitative Monetary Easing(QQE) substantially. The monetary policies were also differentiated in the emerging markets, with Russia and Brazil increasing interest rates to cope with the pressure from inflations and capital outflows while South Korea and Mexico decreasing interest rates to respond to slower economic growth.

Rising volatility of international capital flows. The emerging markets witnessed a net inflow of international capital but more cautious international investors in 2014. As the emerging market economies recovered, international capital flew back to the emerging markets in the first half. But given the slowed growth of the emerging economies and the US Federal Reserve's exit of QE, the inflows of international capital into the emerging markets in the second half declined.

Strengthening US dollar in the foreign exchange market. Driven by the global economic growth and differentiated monetary policies, the US dollar appreciated in 2014, significantly stronger against the currencies of other developed countries and emerging markets. The index of the trade-weighted exchange rate for the US dollar rose by nearly 13 percent from the beginning of the year, hitting a nine-year high. The exchange rates of the euro and the Japanese yen depreciated by 12 percent respectively against the US dollar, and the exchange rates of the currencies in the emerging markets depreciated by 12 percent against the US dollar on average, with that of the Russian ruble depreciating by almost 50 percent against the US dollar.



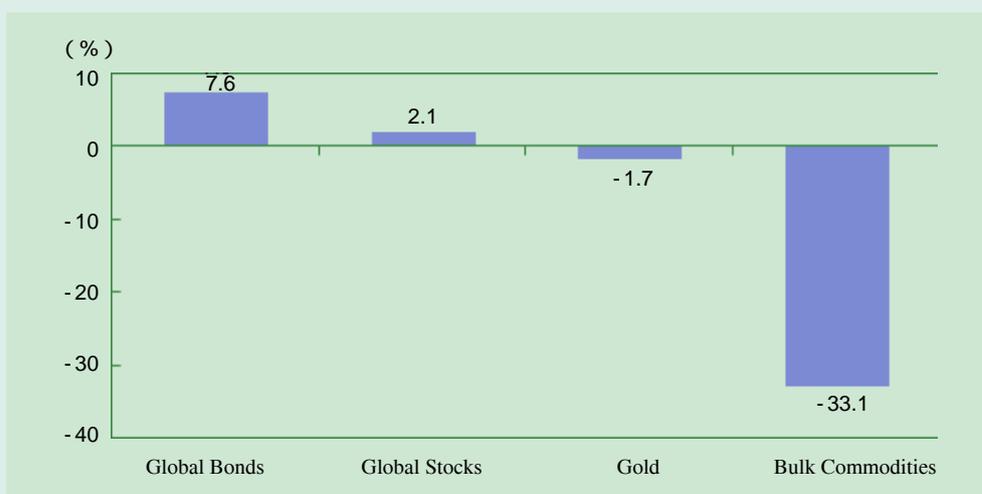
Note: The exchange rates of the currencies of the emerging markets, the Japanese yen, the euro, the Australian dollar and the GBP are those against the US dollar while the exchange rate of the US dollar is from the US Dollar Index (DXY). The performance of the exchange rates of major currencies refers to the changes in the exchange rates by percentages at the end of the year from those at the end of the previous year.

Source: Bloomberg.

Figure 3 Performance of the Exchange Rates of Major Currencies, 2014

The bond market rallied but the stock market performed worse in 2014 than in 2013. Given the rising geopolitical risks, the climate of risk aversion became stronger in the bond market in 2014. The 10-year U.S. and Germany Treasury bond rose, while the yield rates dropped by 89 and 139 basis points respectively against the beginning of the year to historical lows. Due to the uneven global economic growth, the global stock market were mixed in the year. The stock markets in the developed countries rallied, with the S&P 500 Index and the DAX Index up by 11 and 2.3 percent respectively, and the Japanese stock market up by 7 percent driven by the better-than-expected loose monetary policy. Due to the US Federal Reserve's tapering of QE and slower-than-expected growth, however, the stock markets in the emerging markets had continued dropping since September and fell by about 5 percent against the beginning of the year.

Plummet of Commodity Market. In 2014, the S&P-Goldman Sachs Commodity Index (S&P GSCI) decreased by 33 percent from the beginning of the year. To be specific, oil prices dropped to a 6-year low. The Brent crude oil futures price fell by 48 percent from USD 110.8 per barrel at the beginning of the year to USD 57.3 per barrel. The declines in oil prices were largely a result of oversupply. On the one hand, benefiting from the shale revolution, the US witnessed rapid growth in the output of crude oil, which was close to that of Saudi Arabia, the second largest oil producer worldwide. On the other hand, the supply of oil from Middle East have increased rather than decreased despite geopolitical tension. While the oil supply soared, the new demand dropped slightly, the imbalance between supply and demand dragging down the oil prices. The gold prices decreased by 1.7 percent amid oscillation and closed at USD 1185 per ounce.



Note: MSCI Global Equity Indexes, Barclay Global Aggregate Index, and S&P-Goldman Sachs Commodity Index (S&P GSCI) have been adopted for global stocks, global bonds and bulk commodities respectively.

Source: Bloomberg.

Figure 4 US Dollar Yield Rates of Different Assets, 2014

The Foreign Exchange Administration Situation

China's Balance of Payments Position

I. Basics of the Balance of Payments

In 2014, China's balance of payments continued to post twin surplus. Specifically, the surplus under the current account reached USD 219.7 billion, a year-on-year rise of 48 percent, and the ratio of the surplus to GDP was 2.1 percent, which remained within the internationally accepted reasonable level. Meanwhile, the surplus under the capital and financial account totaled USD 38.2 billion, a decrease of 89 percent. By the end of 2014, China's foreign exchange reserves reached USD 3.8430 trillion, a rise of USD 21.7 billion over the end of 2013.

(I) The surplus under the current account expanded

In 2014, China's receipt under the current account totaled USD 2.7992 trillion, a year-on-year increase of 5 percent, whereas payments reached USD 2.5795 trillion, a rise of 3 percent year on year. The surplus reached USD 219.7 billion, representing a year-on-year increase of 4 percent.

Trade in goods maintained steady growth. According to the statistical coverage of the balance of payments, China's goods exports amounted to USD 2.3541 trillion in 2014, a year-on-year increase of 6 percent, while imports increased by 1 percent year on year to reach USD 1.8782 trillion. The surplus in trade in goods increased to USD 476.0 billion, up by 32 percent year on year.

The deficit in trade in services expanded further. In 2014, receipts from trade in services reached USD 190.9 billion, a drop of 7 percent year on year, whereas payments reached USD 382.9 billion, a year-on-year rise of 16 percent. The deficit totaled USD 192.0 billion, up by 54 percent year on year.

The deficit in income decreased substantially. In 2014 receipts in income reached USD 213.0 billion, a year-on-year rise of 16 percent, whereas payments were USD 247.1 billion, a year-on-year drop of 6 percent. The deficit reached USD 34.1 billion, down by 57 percent year on year.

The deficit in current transfers increased. In 2014, receipts under current transfers reached USD 41.1 billion, a year-on-year drop of 23 percent, whereas payments reached USD 71.4 billion, a year-on-year rise of 15 percent, thus leading to a deficit under current transfers of USD 30.2 billion, up by 2.5 times year on year.

(II) The surplus under the capital and financial account decreased significantly

In 2014, inflows under the capital and financial account reached USD 2.5730 trillion, a year-on-year rise of 47 percent, whereas the outflows increased by 80 percent year on year to reach USD 2.5347 trillion, thus leading to a surplus of USD 38.2 billion under the account, down by 89 percent year on year.

Direct investments stayed stable. In 2014, direct investments posted a surplus of USD 208.7 billion, representing a slight year-on-year decline of 4 percent. Specifically, net outflows of China's external direct investments were USD 80.4 billion, a year-on-year increase of 10 percent, whereas net inflows of foreign direct investments in China were USD 289.1 billion, down by a slight 1 percent year on year.

The surplus in portfolio investments increased. In 2014, the surplus in portfolio investments reached USD 82.4 billion, an increase of 56 percent year on year. To be specific, the deficit in portfolio investment assets amounted to USD 10.8 billion, which was two times that of the previous year; whereas the surplus in the liabilities of portfolio investments reached USD 93.2 billion, a year-on-year increase of 60 percent.

Other investments changed from surplus to deficit. In 2014, other investments

recorded a deficit of USD 252.8 billion, while there was a surplus of USD 72.2 billion in 2013. Specifically, the deficit in the assets of other investments reached USD 303 billion, a year-on-year increase of 1.1 times, whereas the surplus in the liabilities of other investments reached USD 50.2 billion, a year-on-year decrease of 77 percent.

(III) Reserve Assets slowed down

In 2014, after adjusting for changes in non-transaction values such as exchange rates and prices, China's international reserve assets increased by USD 117.8 billion, with the growth rate decreasing by 73 percent compared with 2013. Specifically, foreign exchange reserve assets registered a net increase of USD 118.8 billion, with the growth rate decreasing by 73 percent compared with 2013. SDRs and the reserve position in the IMF registered a net decrease of USD 1 billion.

(IV) Net errors and omissions on the debit side

In 2014, net errors and omissions reached USD 140.1 billion on the debit side, accounting for 3.3 percent of the combined value of exports and imports of goods based on the balance of payments statistical coverage. The ratio is well within the internationally accepted scope.

II. Outlook for the Balance of Payments

In 2015, China's balance of payments is expected to enter the new normal of "current account surplus and bidirectional fluctuations of cross-border capital flows under the capital and financial account."

The current account is likely to maintain a certain surplus. Trade in goods will continue to be the major source of this surplus. The trade surplus in goods is expected to expand if commodity prices such as oil prices continue to hover around a low level, which will bring down the import prices, the US economy continues to recover and China's major export partners perform

better than they did in 2014. On the other hand, stimulated by overseas trips, studying abroad and other channels of overseas consumption, China's trade deficit in service will continue to stay high. Given these, China's surplus under the current account is likely to expand in 2015. However, the ratio of the surplus under the current account to GDP will stay within an internationally recognized reasonable range.

The cross-border capital flows under the capital and financial account tend to be volatile. Cross-border capital flows will be more sensitive to exchange rates, interest rates, market expectation, etc. Externally, the economic recovery in the US is going smoothly and the US dollar is likely to get stronger if the Federal Reserve starts another round of interest rate increase in the second half of 2015. Meanwhile, a more volatile international environment, the setbacks in the European debt negotiation and the constant geopolitical conflicts will intensify the fluctuations in the international financial market. In the short run, a safe-haven effect might be created where capital flows to the US or is used to invest in the safe-haven currencies such as the US dollar. Under such circumstances, the emerging economies will come under great pressure from capital outflows. Domestically, the domestic economy is entering the new normal where market players become increasingly sensitive to economic downturn, real estate bubble, overcapacity and local debt risks. It is likely that the structure of assets and liabilities will be further adjusted by "increasing foreign currency-denominated assets and deleveraging external debts." Given these, bidirectional fluctuation of cross-border capital flows under the capital and financial account will become sharper in the short term.

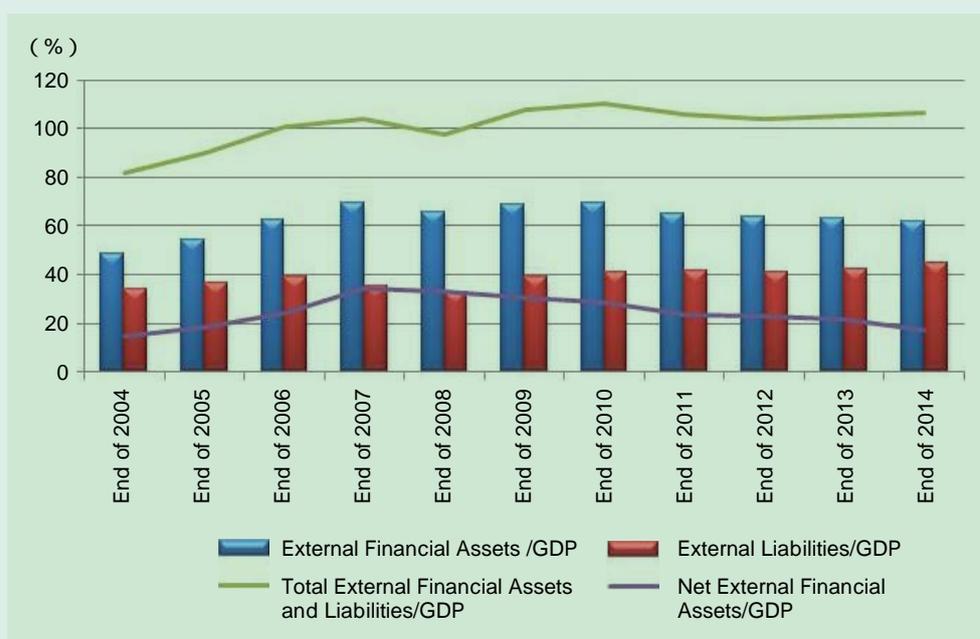
Despite the instabilities and uncertainties in the domestic and external environment, the balance of payments is expected to remain moderate and controllable. First, in spite of China's slower economic growth, the rate will be kept around 7 percent, a medium-to-high growth. As the reform dividends are yielded, China will see more spaces for economic development, providing important support for the stabilities of the RMB exchange rates and the

balance of payments. Second, trade and investment will remain stable sources of cross-border capital inflows. China still enjoys a competitive advantage in export with the transition of its exports from labor-intensive products to capital and technology-intensive products and as high speed rail and other equipment become new highlights in exports. At the same time, China remains the largest consumer market in the world. With the comprehensive implementation of reformative measures and the opening up of the domestic financial market, China will still be very attractive to foreign capital and will be among the hottest investment destinations in 2015. Last but not least, China has abundant foreign exchange reserves to withstand external shocks. As China's economy becomes more open, there will surely be more channels for cross-border capital flows. Therefore, we must keep an eye on speculative activities such as cross-border arbitrage.



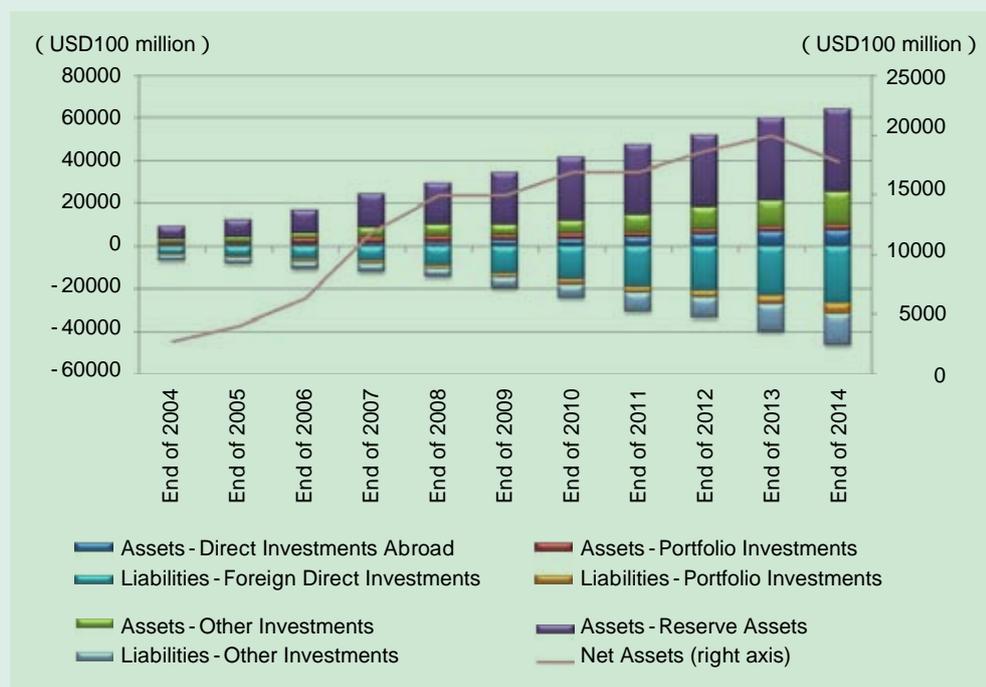
China's International Investment Position

Net external financial assets declined. As of the end of 2014, China's external financial assets and liabilities totaled USD 6.4087 trillion and USD 4.6323 trillion respectively, an increase of 7 percent and 16 percent year on year respectively. China's external financial openness (i.e., the sum of external financial assets and liabilities/GDP) was 107 percent, 1.5 percentage points higher than the 2013 level. Meanwhile, net external financial assets reached USD 1.7764 trillion, down by USD 219.6 billion year on year, and the ratio of net external financial assets to GDP was 17 percent, a year-on-year decline of 3.9 percentage points (see Figure 5 and Figure 6). The decrease of net external assets was attributed to two factors: firstly, external financial assets dominated by reserve assets showed remarkable fluctuations in book value due to non-transaction reasons such as exchange rate and price); secondly, some institutions revised upward their historical data of external liabilities, leading to an increase in external liabilities at the year-end.



Source: SAFE, National Bureau of Statistics.

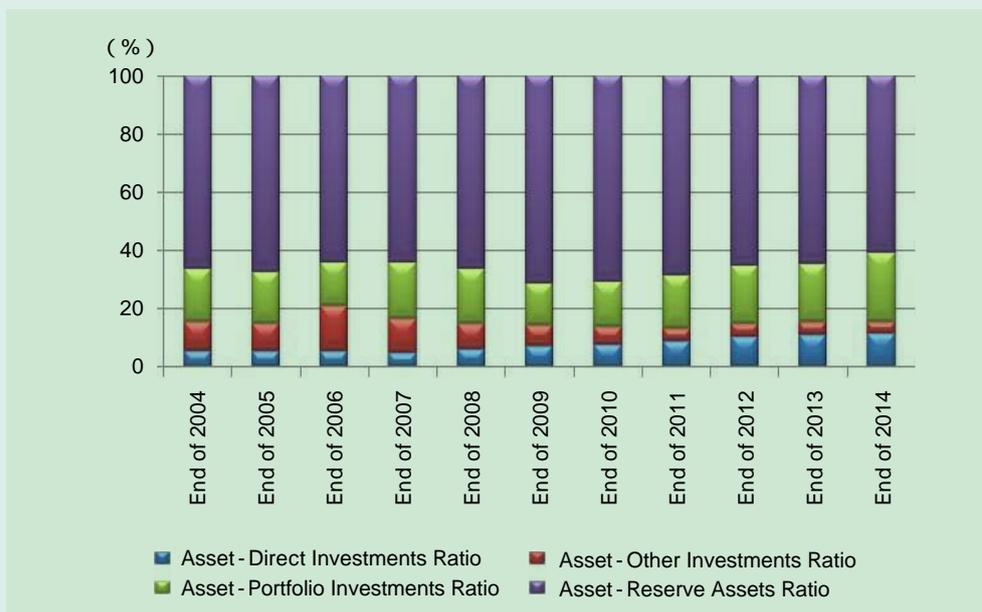
Figure 5 China's External Financial Openness, 2004–2014



Source: SAFE.

Figure 6 China's External Financial Assets, Liabilities, and Net Assets, 2004–2014

Changes in external financial assets showed the philosophy of "holding foreign exchange by the people". By the end of 2014, the balance of international reserve assets reached USD 3.8993 trillion, continuing to take the first place in external financial assets, and accounting for 61 percent of total assets, representing a year-on-year decrease of 4.0 percentage points, the lowest level since 2004. The private sector is speeding up their "going global" process, and due to the enterprises, relatively low risk preference, they prefer the traditional investment channels. Outward direct investments and other investment assets such as deposits and loans totaled USD 2.2469 trillion, the proportion to total assets reached the highest level in history (35 percent). External portfolio investment assets reached USD 262.5 billion and accounted for 4 percent, down by a slight 0.2 percentage point from 2013 (see Figure 7).



Source: SAFE.

Figure 7 Changes in the Structure of China's External Financial Assets, 2004–2014

External portfolio investment liabilities grew fast among external liabilities. At the end of 2014, due to a growing number of domestic enterprises being listed overseas as well as the enhanced opening-up of the domestic securities market, the external portfolio investment liabilities reached USD 514.3 billion, an increase of 33 percent year on year, and the growth rate higher by around 20 percentage points than the growth rate of other investments such as foreign direct investment as well as loans and deposits. Portfolio investment liabilities accounted for 11 percent of total liabilities, 1.4 percentage points higher than that at the end of 2013. Foreign direct investments increased by 15 percent to USD 2.6779 trillion¹, and accounted

1. Stocks of foreign direct investments include stocks of foreign direct investments absorbed by China's non-financial and financial sectors, stocks of loans between parent companies and subsidiaries both in China and abroad and stocks of other liability-based dealings, reflecting the impact of revaluation. This statistical coverage is different from the statistics on cumulative absorption of foreign direct investments collected by the Ministry of Commerce, in that the statistics is the accumulation of equity investment flow of foreign direct investments over the years.

for 58 percent of external liabilities, 0.6 percentage point less than the 2013 level but still held a dominant position. Due to changes in domestic and overseas exchange rates and interest rates and the RMB internationalization, as well as the revision of historical data by some institutions, other investment liabilities such as loans and deposits increased by 13 percent to USD 1.4402 trillion, accounting for 31 percent of total liabilities, 0.8 percentage point lower than the 2013 level (see Figure 8).



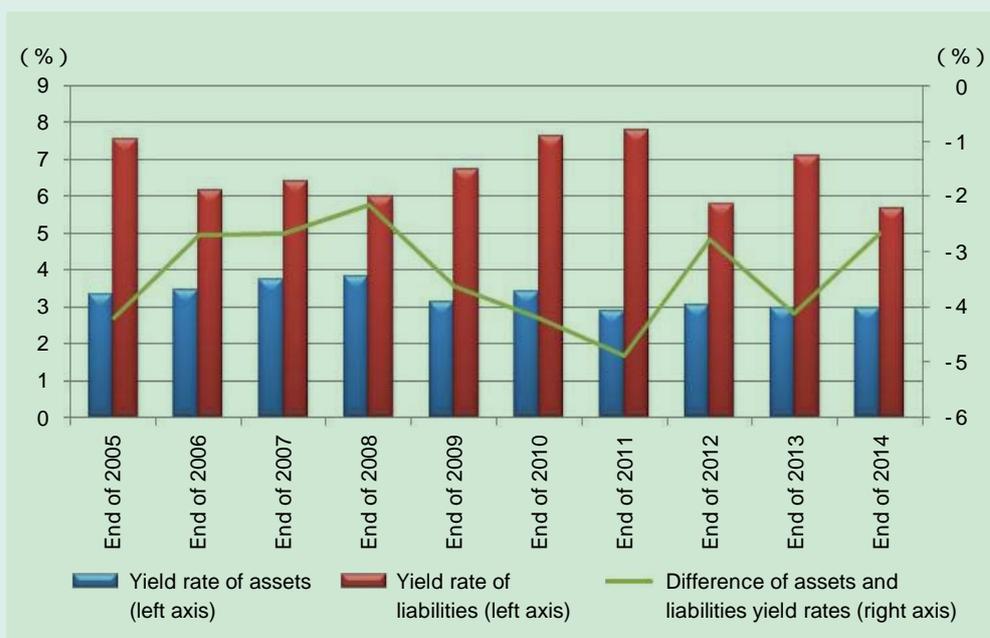
Source: SAFE.

Figure 8 Changes in the Structure of China's External Liabilities, 2004–2014

The net external liabilities of the private sector expanded further. As an immature external net creditor, China sees its net external assets be concentrated in the public sector (including the central bank and government departments), whereas banks and the private sector such as corporations serve as the subjects of net external liabilities, suggesting that external financial assets and liabilities are evidently mismatched. By the end of 2014, after excluding the international reserve assets of USD 3.8993 trillion, China's net

external liabilities stood at USD 2.1229 trillion, a year-on-year increase of 13 percent, or 20 percent of China's GDP in the same period, representing an increase of 0.6 percentage point from that at the end of 2013, and an increase of 10 percentage points against the end of 2008.

External investment income posted a structured deficit. In 2014, the investment income under China's balance of payments posted a deficit of US 59.9 billion. The external investment income reached USD 183.1 billion, and external liabilities revenue expenditure stood at USD 242.9 billion, with yield rate differing by -2.7 percentage points, the lowest since 2009 (see Figure 9). The negative investment income was due to the ownerships of China's external financial assets and liabilities, making China unable to compete with



Note: 1. Yield rate of assets (or liabilities) = annual revenue from investment income (or payment) / (stock of external financial assets (or liabilities) at the end of the previous year + that at the end of the year) / 2

2. Difference of assets and liabilities yield rates = yield rate of assets - yield rate of liabilities

Source: SAFE.

Figure 9 China's Yield Rates of External Financial Assets and Liabilities, 2005–2014

those economies with relatively high marketization level and dominated by private external financial assets and liabilities. In fact, compared with the international level, China's external investment income was not low; but since nearly 60 percent of inbound investments were foreign direct investments, which have relative high returns, leading a negative income after netting. Nonetheless, by utilizing foreign direct investments, China attracted capital, and introduced advanced technology and management experience from its foreign partners, thus creating domestic jobs and tax revenue, and expanding the international market. Therefore, the social impact and economic benefits of the FDIs were much higher than the financial costs. Meanwhile, among the revenue expenditure of the foreign parties, much was reinvestment income, which was invested in the enterprises again, with no actual capital outflows. After deducting this part, China's investment income was still positive.



China's External Debt

As of the end of 2014, China's outstanding external debt (excluding that of Hong Kong SAR, Macao SAR, and Taiwan Province, the same below) reached USD 895.5 billion, an increase of 2.5 percent year on year, calculated by comparable statistical coverage (including SDR allocation, the same below). With respect to the term structure, the outstanding medium- and long-term external debt was USD 274.4 billion, accounting for 30.6 percent; while the outstanding short-term external debt was USD 621.1 billion, accounting for 69.4 percent.¹

In terms of institutions & departments, the outstanding government debt was USD 55.2 billion in a broad sense, accounting for 6 percent; the outstanding debt of the central bank was USD 10.1 billion, accounting for 1 percent; the outstanding debt of other companies (banks) was USD 301.8 billion, accounting for 34 percent; and the outstanding debt of other departments was USD 437.1 billion, accounting for 49 percent. Direct investments: the balance of inter-company loans reached USD 91.3 billion, accounting for 10 percent.

In terms of debt instruments, the balance of loans was USD 339.1 billion, accounting for 38 percent; the balance of trade credit and prepayment was USD 334.4 billion, accounting for 37 percent; the balance of currency and deposits was USD 108.9 billion, accounting for 13 percent; the balance of debt securities was USD 11 billion, accounting for 1 percent; the balance of other debts was USD 700 million; the SDR allocation was USD 10.1 billion, accounting for 1 percent. Direct investments: the balance of inter-company loans was USD 91.3 billion, accounting for 10 percent.

1. In accordance with the Special Data Dissemination Standard (SDDS) of the IMF, China's external debt data are adjusted as follows:

(1) Adjust the statistical coverage of external debts, and include the SDR allocation in the external debt statistics;

(2) Adjust the statistical classification of external debts, and classify the external debts by the type of debtors (institutions & departments), and the type of debts (debt instruments).

In terms of currency structure, USD debt accounted for 80 percent, Euro debt accounting for 6 percent, and JPY debt accounting for 4 percent of the outstanding registered external debts; and other foreign currency-denominated debts including SDR and HKD accounted for 10 percent of the total outstanding registered external debts.

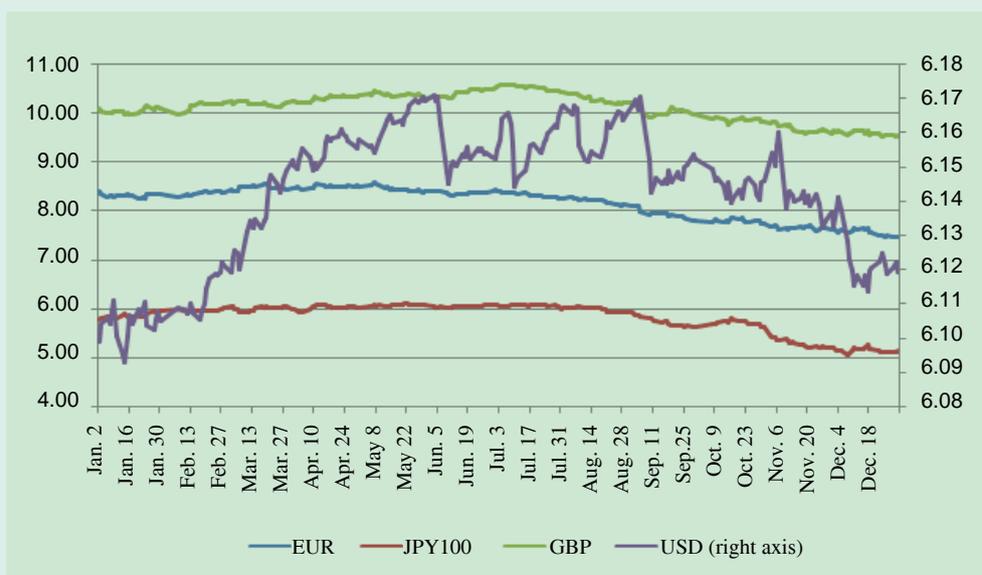
Initial calculations reveal that the external debt/GDP ratio (i.e., the ratio of outstanding external debt to GDP of the current year) was 8.64 percent, the ratio of external debt/export revenue (i.e., the ratio of the outstanding external debt to the export revenue of trade in goods and services in the current year, which is calculated based on the statistical coverage of the balance of payments) was 35.19 percent, and the debt servicing ratio (i.e., the ratio of the sum of the repayment of the principal and interest of medium- and long-term external debts and the payment of the interest of the short-term external debts to the export revenue of trade in goods and services in the current year, which is calculated based on the statistical coverage of the balance of payments) and the ratio of short-term external debt to foreign exchange reserves were 1.91 percent and 17.78 percent respectively. All of these indexes were within an internationally accepted range.



Trends in the RMB Exchange Rate and Domestic Foreign Exchange Market Transactions

I. Trends in the RMB Exchange Rate

(I) There were rises and falls in the exchange rates of the RMB against other major currencies. At the end of 2014, the mid-rate of the RMB/USD was 6.1190, a depreciation of 0.4 percent year on year. Since the reform of the RMB exchange rate formation mechanism initiated in 2005, the cumulative appreciation in the mid-rate of the RMB against the USD totaled 35.3 percent. At the end of 2014, the RMB/EUR, the RMB/JPY and the RMB/GBP mid-rates were RMB 7.4556/EUR, RMB 5.1371/100 Yen and RMB 9.5437/GBP respectively, a year-on-year appreciation of 12.9 percent, 12.5 percent and 5.4 percent.



Source: China Foreign Exchange Trade System (CFETS).

Figure 10 Trends in the Mid-Rate of the RMB against the USD, the EUR, the JPY and the GBP, 2014

(II) The RMB exchange rate showed an increased elasticity in bidirectional fluctuation. From early 2014 to mid-February, the spot transaction price on the interbank foreign exchange market stayed stable, generally close to the floor of the floating band of the mid-rate. Since late February, the trading price continued to fall and moved into the mid-rate depreciation range. After the People's Bank of China expanded the exchange rate fluctuation range on March 17, the volatility intensified further, and the cumulative depreciation reached 2.8 percent as of late April. From May onwards, the trading price stopped decline and gradually picked up, and moved into the mid-price appreciation range again in August, with cumulative appreciation of the May-October period reaching 2.4 percent. In November and December, the trading price became weak again, and gradually moved toward the ceiling of the mid-rate floating band, with cumulative depreciation of 1.5 percent for the two months. In 2014, the

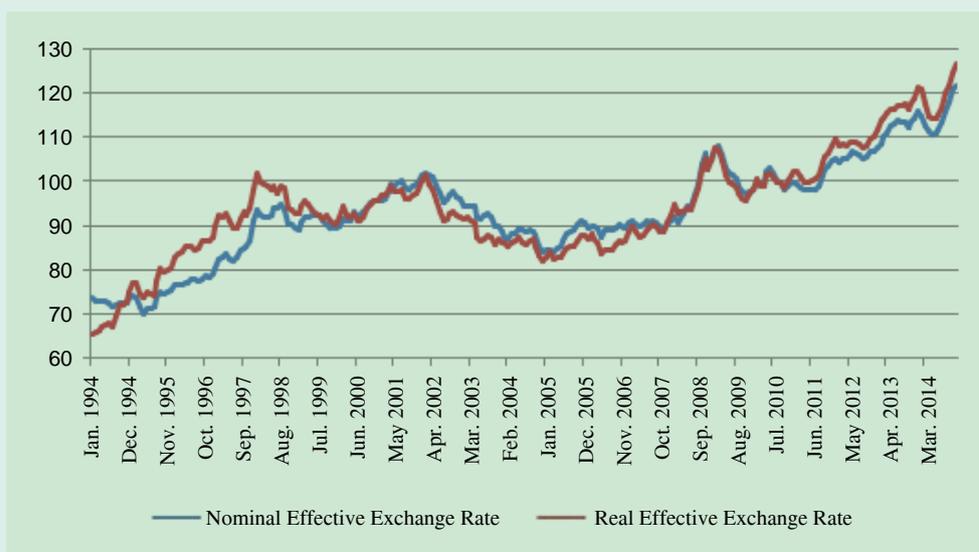


Source: China Foreign Exchange Trade System (CFETS).

Figure 11 Fluctuations in the RMB/USD Spot Transaction Price in the Interbank Foreign Exchange Market, 2014

average every other day fluctuation of the trading price (the difference between the closing price of the current day and that of the previous day) was 55 basic points, higher than the fluctuation level of 30 basic points in 2013.

(III) The multilateral exchange rate of RMB against a basket of currencies picked up amid strong fluctuations. According to the data from the Bank for International Settlements (BIS), the nominal effective exchange rate of the RMB against a basket of currencies appreciated by a total of 6.4 percent in 2014, whereas the real figure was 6.4 percent after adjusting for inflationary factors, showing a bidirectional fluctuation with depreciation preceding appreciation. Since the reform of the RMB exchange rate formation mechanism kicked off in 2005, the nominal and real effective exchange rates of the RMB appreciated by a cumulative 40.5 percent and 51.3 percent respectively.



Source: BIS.

Figure 12 Trends in the RMB Effective Exchange Rate, 1994–2014

II. Foreign Exchange Market Transactions in China

In 2014, turnover in the RMB foreign exchange market totaled USD 12.76 trillion (with a daily average of USD 52.1 billion), 13.4 percent higher than that of the previous year. In particular, the bank-customer market and the interbank foreign exchange market¹ had turnovers of USD 3.95 trillion and USD 8.81 trillion respectively.

(I) The turnover in the spot foreign exchange market increased slightly.

In 2014, the accumulated turnover in the spot foreign exchange market recorded USD 7.25 trillion, an increase of 2.3 percent year on year. Specifically, spot foreign exchange settlements and sales of banks (excluding forward performance) achieved a total turnover of USD 3.13 trillion, a year-on-year increase of 3.8 percent. Turnover in the interbank spot foreign exchange market totaled USD 4.12 trillion, a rise of 1.2 percent from 2013.

(II) Turnover in the forward foreign exchange market declined slightly.

In 2014, the cumulative turnover in the forward foreign exchange market stood at USD 597.9 billion, declining by 1.1 percent from 2013. Specifically, forward foreign exchange settlement and sales signed between banks and customers totaled USD 545.0 billion, with foreign exchange settled and sold amounting to USD 300.5 billion and USD 244.4 billion respectively, down by 4.7 percent and 14.7 percent and up by 11.1 percent respectively from 2013. Turnover in the interbank forward foreign exchange market totaled USD 52.9 billion, a year-on-year rise of 63.5 percent.

(III) Turnover in the foreign exchange and currency swap markets increased significantly.

The cumulative turnover in the foreign exchange and currency swap markets stood at USD 4.72 trillion in 2014, an increase of 35.4 percent year on year. Specifically, foreign exchange and currency swaps contracted

1. The bank-customer market uses the total sum of the customers' foreign exchange transactions, whereas the interbank foreign exchange market uses the unilateral trading volume; the same below.

between banks and customers totaled USD 217.3 billion, 2.7 times that of 2013. The cumulative turnover in the interbank foreign exchange and currency swap markets stood at USD 4.50 trillion, up by 32.3 percent year on year.

(IV) *The foreign exchange options market became more active.* In 2014, the options market realized a total turnover of USD 192.8 billion, 1.6 times higher than that of 2013. In particular, the bank-customer market realized a total turnover of USD 62.9 billion, up by 22.3 percent year on year. The interbank options market accomplished a total turnover of USD 129.9 billion, 6 times that of 2013.



Foreign Exchange Administration under the Current Account

Consolidating the fruits of the foreign exchange administration reform for trade in goods. The SAFE upgraded and improved the foreign exchange monitoring system for trade in goods by including the breakdown of figures on settlement and sales of foreign exchange under trade and trade finance in the system, adding special monitoring indicators to the system and expanding the management functions of the system to make the monitoring and analysis of trade in goods more professional and specific. With the SAFE's efforts, the regional sensitive sample enterprise library was built, and the system of fixed-point contact with key enterprises was established to strengthen monitoring and verification of foreign exchange under trade in goods. The SAFE also carried out the system of conversation with enterprise principals, and enhanced management of the risk warning letter system to improve ongoing and ex-post management. The SAFE made full use of the roles of classified management and dynamically adjusted the classification of enterprises engaged in trade in goods based on monitoring and analysis, shifting its regulation focus from 580000 importers and exporters on the list to 130000 key monitoring targets. At the end of 2014, the SAFE had dynamically adjusted 3811 class-B and class-C enterprises and written off 27000 enterprises on the list.

Deepening the reform of foreign exchange administration for trade in services. The monitoring system for trade in services was launched across the country. This system, featured in multi-layered monitoring, warning and analysis modules, and comprehensive foundation for data analysis, provides more data for back-office monitoring, warning, offsite verification and player management in foreign exchange administration for trade in services. The SAFE built and improved the working system for foreign exchange

monitoring administration for trade in services, clarifying the requirements on monitoring, analysis and verification of foreign exchange under trade in services.

Expanding the pilot program of foreign exchange payment under cross-border e-commerce through payment institutions. The *Opinions on Promoting Information Consumption and Expanding Domestic Demand* by the State Council were implemented to further support the development of cross-border e-commerce and online payment. Five payment institutions in Beijing were included in the pilot program for payment of foreign exchange under cross-border e-commerce, increasing the number of pilot institutions across the country to 22. In 2014, the SAFE reported receipts and payments of USD 1.7 billion in foreign exchange under cross-border e-commerce, with net payment of USD 1.4 billion, and settlement and sales of USD 1.81 billion, with net exchange purchase of USD 1.52 billion, and more than 7 million transactions per month. The pilot program, as a beneficial complement to the traditional payment business of banks, satisfied the enterprises' and individuals' demand for fast payment in cross-border e-commerce transactions.

Improving foreign exchange administration for border trade. The SAFE released the *Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for Trade in Border Areas* (Huifa No. 12 [2014]), canceling the administrative licensing for border trade accounts to offer as much convenience to border traders as possible provided that risks are within control, and allowing the self-employed to settle foreign exchange by presenting commercial documents rather than the customs declaration forms to accelerate capital turnover of players of border trade.

Facilitating individual use of foreign exchange. The SAFE promoted individual settlement and sales of foreign exchange through e-banking, approved the Agricultural Bank of China, Guangdong Development Bank, and Ping An Bank

to get connected to the individual foreign exchange settlement and sales system to provide e-banking-based individual foreign exchange settlement and sales services, and agreed that the Bank of China, China Construction Bank, and China Everbright Bank could expand their e-banking-based individual foreign exchange settlement and sales services to mobile banking, telephone banking and self-service terminals. As of the end of 2014, e-banking-based individual foreign exchange settlement and sales services as a percentage of individual foreign exchange settlement and sales services had exceeded 50 percent.

Promoting information sharing and regulatory cooperation with the General Administration of Customs (GAC). The SAFE signed with the GAC the *Supplementary Agreement on Exchanging Regulatory Information between the State Administration of Foreign Exchange and the General Administration of Customs*, clarifying the transmission scope of newly added data, the purposes of regulation and the systematic demand. In July 2014, the GAC started to provide the SAFE with the data on newly happened imports and exports under trade in goods on a daily basis.

General ideas on foreign exchange administration under the current account in 2015: The SAFE shall continue to streamline administration and delegate power to actively cultivate advantages in foreign trade. We shall innovate the approach to monitoring and verification, strengthen the offsite monitoring and analysis capability and improve the ongoing and ex-post management mechanism. We shall also respond to the fluctuations of cross-border capital flows in a good order to enhance risk warning, prevention and control.



Box 1 Expanding the Pilot Program for Foreign Exchange Payment under Cross-border E-commerce through Payment Institutions

To implement the *Opinions on Promoting Information Consumption and Expanding Domestic Demand* by the State Council to support the development of cross-border e-commerce, and facilitate cross-border payments of foreign exchange by institutions and individuals, the SAFE expanded in February 2014 the pilot program for payment of foreign exchange under cross-border e-commerce to include five Beijing-based payment institutions like PayEase, based on the experience from the preliminary pilots. At the end of 2014, 22 payment institutions in the five pilot regions, namely, Shanghai, Beijing, Chongqing, Zhejiang and Shenzhen, were running the pilot business to provide domestic institutions and individuals with centralized cross-border receipts, payments, settlement and sales of foreign exchange for activities including small purchases, air tickets, hotels and studying abroad.

Innovating approaches to facilitate cross-border payments by institutions and individuals. In system design, this pilot program approved that the electronic data on each link of e-commerce transactions, rather than the traditional print documents, would be used as the evidence for authenticity verification, which simplified the process of foreign exchange payments, satisfied institutions' and individuals' demand for fast payment in cross-border e-commerce transactions and was favorable for market players to reduce transaction cost. Moreover, no limit was imposed on annual total of individuals' cross-border online settlement and sales of foreign exchange. As for the time spent on each payment transaction, the pilot institutions could finish a single cross-border payment transaction for e-commerce in one weekday, suggesting the cross-border payment efficiency had been significantly improved.

The volume of pilot business was satisfactory and mainly from small-sum payments

Box 1 (concluded)

by individuals. In 2014, the pilot payment institutions reported receipts and payments of USD 1.7 billion in foreign exchange under cross-border e-commerce, with net payment of USD 1.4 billion; settlement and sales of USD 1.81 billion in foreign exchange, with net exchange purchase of USD 1.52 billion; and more than 7 million transactions per month. Further, cross-border payments by domestic individuals accounted for 88.5 percent of total cross-border receipts and payments, and purchases of foreign exchange by domestic individuals accounted for 89.4 percent of total settlement and sales of foreign exchange, while the average foreign exchange purchased by individuals was just USD 50 per transaction, indicating small-sum payments by domestic individuals constituted the majority of the pilot business.

Risks associated with pilot business were within control. The real-name system and transaction-by-transaction data collection principle were adopted among the pilot payment institutions and risks arising from large-sum and abnormal transactions were monitored. The ex-post supervision and restriction of the responsibility for verifying the authenticity by payment institutions were strengthened through onsite surveys and verification of the institutions.

As a beneficial complement to the traditional business of payment through banks, the pilot business has supported the rapid development of cross-border e-commerce and economic restructuring in China, and satisfied institutions' and individuals' demand for fast payment in cross-border e-commerce transactions. Next, the SAFE will follow the national e-commerce development strategy and roll out the pilot program nationwide based on the experience learned from the preliminary pilots, so as to promote the further development of cross-border e-commerce and facilitate cross-border payments of foreign exchanges by institutions and individuals.

Foreign Exchange Administration under the Capital Account

Deepening the reform in key areas of capital account. First, the SAFE supported the early and pilot implementation in China (Shanghai) Pilot Free Trade Zone, with the aim of acquiring valuable experience in capital account convertibility. The SAFE delegated to lower levels the authority over foreign exchange registration under direct investments (including registration of foreign exchange under foreign direct investment and under overseas direct investment), implemented a package of reform measures including discretionary settlement of foreign exchange capital of foreign-invested enterprises, and promoted the early and pilot implementation of capital account convertibility in China (Shanghai) Pilot Free Trade Zone, so as to replicate and promote the experience in capital account convertibility. Second, the SAFE initiated a pilot reform on the administrative approaches to settlement of foreign exchange capital. Based on the pilot program in China (Shanghai) Pilot Free Trade Zone, the SAFE released the *Circular of the State Administration of Foreign Exchange on Carrying out a Pilot Reform in Some Regions on Administrative Approaches to Settlement of Foreign-invested Enterprises' Foreign Exchange Capital* (Huifa No. 36 [2014]), and rolled out the pilot program to include 16 other national pilot economic and financial reform zones. Third, the SAFE organized a pilot reform of foreign exchange administration for cross-border mergers and acquisitions (M&As). The pilot reform was carried out in Zhongguancun National Independent Innovation Demonstration Zone, and facilitated the outward remittance of funds for overseas M&As by enterprises in the pilot zone.

Refining the reform of foreign exchange administration under the capital

account in an all-around way. The SAFE relaxed the restrictions on overseas lending entities of domestic enterprises and on the conditions of the lending, and increased the quota on preliminary expenses on overseas investments by domestic enterprises, and canceled the pre-administration for foreign exchange receipts, payments and exchanges involved in the disposal of non-performing assets (NPAs) by financial asset management companies, and verification of purchases and payments of foreign exchange using returns on the disposal. Verifications were simplified for the registration of domestic non-performing assets transferred to foreign investors, foreign exchange sales and payments in transferring personal properties, and outward remittance of foreign-invested enterprises' profits. The SAFE also kicked off the reform in annual inspection of foreign-invested enterprises' foreign exchange funds, while canceling the mandatory audit requirements.

Transforming foreign exchange administration of round-trip investments. The SAFE released the *Circular of the SAFE on Foreign Exchange Administration of Overseas Investments and Financing and Round-trip Investments by Domestic Residents via Special Purpose Vehicles* (Huifa No. 37 [2014]) to significantly simplify and optimize the foreign exchange administration procedures and registration requirements for roundtrip investments, properly expand the channels for capital outflows, relax the limits on utilization of funds through overseas financing, and include the equity incentive plans for employees in non-listed special purpose vehicles in the scope of registration.

Improving the administration of conversion of external debts into loans and cross-border guarantee. The SAFE released *Circular of the State Administration of Foreign Exchange on Printing and Distributing the Regulations on Foreign Exchange Administration for the Conversion of External Debts into Loans* (Huifa No. 5 [2014]) to simplify the administration procedures, abolish the verifications of account opening,

foreign exchange settlement, principal repayments along with interest, and foreign exchange purchase, and implement the centralized registration of sub-loan creditors, with the aim of reducing the processing costs of foreign exchange authorities, fiscal authorities, on-lending banks and debtors. The SAFE also introduced the *Circular of the State Administration of Foreign Exchange on Releasing the Regulations for Foreign Exchange Administration of Cross-border Guarantee* (Huifa No. 29 [2014]), canceling or substantially scaling down the scopes of quantity control and registration for cross-border guarantee. For external guarantee, the SAFE abolished ex-ante approval, verification of guarantee performance, and most qualification limits. For domestic loans with overseas guarantee, the SAFE allowed conditional discretionary contract performance by enterprises, and guarantee performance within net assets.

Simplifying the administration of cross-border portfolio investments. The SAFE changed approval into filing for investment quota adjustment and delayed inward remittance of funds by RQFIIs, thus further facilitating the business operation by RQFIIs and promoting the effective use of investment quotas. Efforts were made to standardize the internal operation of innovative business involving outbound investments by domestic institutions, and support qualified domestic institutions to run the innovative outbound investment business. The SAFE steadily pressed ahead with the verification of quotas for QFIIs, RQFIIs and QDIIs, in a bid to guide the orderly bidirectional flows of cross-border capital. In 2014, the SAFE approved of an investment quota for domestic securities of USD 17.222 billion for 103 QFIIs (including institutions with added or reduced quotas), an investment quota for domestic securities of RMB 142.2 billion for 118 RQFIIs (including institutions with added or reduced quotas) and an investment quota for overseas securities of USD 19.741 billion for 41 QDIIs.

General ideas on foreign exchange administration under the capital account in 2015: The SAFE shall continue to promote the facilitation of foreign exchange administration for direct investments, boost a pilot reform of macro-prudential administration of external debts among domestic institutions, accelerate the bidirectional opening of capital markets, improve the convertibility of cross-border capital and financial transactions in an orderly manner, and further enhance ex-post supervision, statistics analysis and monitoring, and forward-looking study.



Box 2 Implementing the Reform of Foreign Exchange Administration for Cross-border Guarantee

To deepen the institutional reform of foreign exchange administration, facilitate investments and financing of enterprises, press ahead with capital account convertibility in an orderly manner, and standardize the receipt and payment activities under cross-border guarantee, the SAFE solicited ideas from society and issued on May 19, 2014 the *Circular of the State Administration of Foreign Exchange on Releasing the Regulations for Foreign Exchange Administration of Cross-border Guarantee* (Huifa No. 29 [2014], hereinafter referred to as Circular).

The key regulations on foreign exchange administration for cross-border guarantee, developed in the 1990s, played a positive role in promoting economic and technological cooperation between China and other countries, supporting the development of foreign trade, and smoothly conducting external financial activities at that time. However, with the rapid development of China's foreign-related economy and the expansion in the size of the balance of payments transactions, cross-border guarantee activities have become increasingly diversified and complex. The previous regulations, covering external guarantee and domestic loans with overseas guarantees only, are no longer able to satisfy the requirements of the market. The relevant policies on guarantee management require redundant approval and verification procedures, which is somewhat outdated as compared with the market demand. Further, these policies impose many limits on the qualification for cross-border guarantees involved in domestic and overseas financing by enterprises, resulting in high operating costs for enterprises. Given these, the SAFE released the Circular at an appropriate timing, which significantly simplified the foreign exchange administration for cross-border guarantee, thus effectively solving the investment and financing difficulties facing domestic enterprises. The cross-border guarantee reform is highlighted as follows:

Comprehensively standardizing foreign exchange administration for cross-

Box 2 (continued)

border guarantee. In the light of the goals of and the responsibilities for foreign exchange administration, the SAFE rationally defined the scope of foreign exchange administration for cross-border guarantee, covering all types of cross-border guarantee that conform to the legal requirements in terms of form, that adopt payments as the guarantee performance model, and that can have a significant impact on the balance of payments.

Reforming the model of foreign exchange administration for cross-border guarantee. All ex-ante approval for cross-border guarantees, ex-ante verifications for guarantee performance and most restrictions on business qualifications were eliminated and replaced by self-discipline and registration management. Only "cross-border guarantee for the newly added liabilities or claims of residents to non-residents after guarantee performance" was included in the scope of the transaction-by-transaction registration. After these adjustments, the reform streamlined and integrated relevant laws and regulations, nullifying 12 regulatory documents involving cross-border guarantee to increase the transparency of policies.

Equal requirements on Chinese and foreign-funded enterprises. Under the relevant restrictive conditions, the SAFE canceled ex-ante application by domestic Chinese companies for quotas for domestic loans with overseas guarantee, allowed Chinese and foreign-funded enterprises to sign contracts without submitting an application, and allowed the performance of guarantee provided the amount was lower than the net assets, thus unifying and significantly improving the policy on domestic loans with overseas guarantees for Chinese and foreign-funded enterprises in China, and facilitating financing by domestic enterprises more greatly.

Disconnecting foreign exchange administration from assessment of the effectiveness of contracts on cross-border guarantee transactions. Based on higher-level laws, international practice and market needs, the reform makes it clear that the

Box 2 (continued)

verification, registration or filing of cross-border guarantee contracts by foreign exchange authorities is not the essential condition of the effectiveness of the contracts.

Consolidating the administrative philosophy on risk prevention. Through the supporting system and regulatory means, the SAFE defined the monitoring and analysis responsibilities of foreign exchange authorities, stressed the importance of off-site verification and foreign exchange inspection, and intensified punishment on violations against regulations, so as to prevent cross-border guarantee from becoming a channel for abnormal capital flows. With respect to the balance of payments, the main risk associated with the opening of the cross-border guarantee market is the drastic increase in external claims and liabilities arising from performance of large-amount and centralized guarantee. The main measures to avert the risk are as follows: Firstly, on a transaction-by-transaction basis collecting the data on the execution and performance of guarantee contracts that may increase external claims and liabilities; secondly, regulating the transaction behaviors of counterparties involved in cross-border guarantee through self-disciplined compliance; thirdly, stepping up the efforts of foreign exchange authorities to identify and handle guarantee-related violations; and fourthly, reserving the rights of foreign exchange authorities to adjust at an appropriate time the administrative approaches to cross-border guarantee.

After the implementation of the Circular, Chinese-funded enterprises no longer need to obtain approvals from multiple levels of foreign exchange authorities, which helps them save at least 10 working days. After the implementation of the policy on cross-border guarantee, the enterprises could save their financial expenses by about 2 percentage points, mainly due to the decrease in interest rates and in the ratio of deposit required for credit. The Circular also cancels the ratification on quota

Box 2 (concluded)

of outstanding external guarantee by banks, and opens broad spaces for banks to provide various types of loans and guarantees, thereby creating win-wins between banks and enterprises. In terms of the implementation results, the volume of cross-border guarantee by banks and enterprises has grown steadily, and the performance ratio has remained at a very low level, indicating that banks and enterprises have strictly controlled the risks arising from cross-border guarantee and are effective in risk identification.

Next, the SAFE will continue to pay close attention to market feedback and policy appeals, and promote investment and financing facilitation, so as to earnestly serve the real economy. Meanwhile, the SAFE will strengthen cross-border guarantee statistical monitoring, off-site inspections and risk management, to lay a solid foundation for accelerating the convertibility of the RMB under the capital account.



Statistics and Monitoring of the Balance of Payments

Improving the statistical system for balance of payments. The SAFE implemented the *Statistical System for External Financial Assets, Liabilities and Transactions* and the *Classification and Codes of Foreign-related Receipt and Payment Transactions* that are in compliance with the *Balance of Payments and International Investment Position Manual (6th Edition, BPM6)*, and developed and ran relevant data collection and analysis system. It decided to publish the formats of the balance of payments statement and international investment position statement that are in line with the BPM6 standards, and revise the compilation methods and templates for the statements. Efforts were made to study the methods for improving the compilation of trade in goods, trade in services, portfolio investment, direct investment, etc. The international transportation survey plan was finalized to conduct census on key enterprises. The SAFE clarified the requirements for the statistics and declaration of the balance of payments of multinationals in conducting centralized receipt and payment of foreign exchange funds, pilot policy for China (Shanghai) Pilot Free Trade Zone and foreign-related transactions in exchanges. Verification of the data on the balance of payments statistics was intensified.

Further improving the sensitivity, pertinence and effectiveness of monitoring and analysis. At the beginning of 2014, focus was on the massive net inflows of cross-border capital, and shifted in mid-year to bidirectional monitoring, as well as analysis and assessment of the impact of the US QE exit, regional turbulence of emerging markets, domestic economic operation, fluctuations and reform of the RMB exchange rate. Efforts were made to investigate hot issues such as commodities trade finance and the impact of the Federal Reserve's QE exit on cross-border capital, track and monitor the trends in the RMB exchange rate and the changes in the foreign exchange market since March 2014 when the People's Bank of China expanded the exchange rate

fluctuation range.

Increasing data transparency and improving the timeliness of data release. The SAFE released data on balance of payments in RMB, and started to release data on aggregate outstanding forward foreign exchange settlements and sales by banks on behalf of their clients, monthly data on China's international trade in services and aggregate data on foreign-related receipts and payments by currency. Vigorous efforts were made to disseminate the *Measures for the Statistics and Declaration of the Balance of Payments* and BPM6 to facilitate the understanding of the latest standards of balance of payments by the general public and raising their awareness of statistics and declaration. The quarterly news release system for foreign exchange receipt and payment data was built to enhance interpretation of foreign exchange trends and rationally guide the market expectations.

General ideas on statistics and monitoring of the balance of payments in 2015: Improving statistical and declaration requirements and system construction for the balance of payments; conducting research into verification rules for direct declaration, and revising verification system for indirect declaration; further improving the survey or estimation approaches for trade credit, transportation, and tourism; preparing and releasing the Balance of Payments statements and the International Investment Position statements as per the requirements of BPM6; preparing for the incorporation into the Special Data Dissemination Standards (SDDS); strengthening risk monitoring for balance of payments, sorting out and analyzing the new trends and new laws of cross-border capital flows, and assessing the impact of changes in domestic and overseas market situations on China's cross-border capital flows; increasing the release of monthly trade in goods statistics and RMB foreign exchange transactions statistics calculated in accordance with the international statistical coverage; continuing to actively introduce and interpret major changes in and hot issues on China's cross-border capital flows, and responding actively to social concerns.

Supervision of the Foreign Exchange Business of Financial Institutions

Facilitating foreign exchange settlement and sales by banks. The management of market entry of spot foreign exchange settlement and sales and RMB/foreign exchange derivatives transactions were integrated, and the filing procedures for information modification were simplified. The daily assessment of the comprehensive position of foreign exchange settlement and sales by banks was replaced by weekly assessment, while the policy that the comprehensive position of foreign exchange settlement and sales are linked with the foreign exchange loan-to-deposit ratio was abolished. The approval authority over the RMB and foreign currency conversion of banks' equity capital (working capital) was delegated to lower levels, while the approval for the foreign exchange settlement and sales by banks on behalf of their debtors was cancelled. The requirement of unified service marks of the RMB and foreign currency conversion for individuals was abolished. The principles of "knowing your customers, understanding your transactions, and due diligence" were specified for foreign exchange settlement and sales via banks. The SAFE also supported small- and medium-sized banks to roll out the pilot program for cooperating to handle RMB foreign exchange derivative transactions.

Supporting and promoting innovative development of the foreign exchange business of franchise institutions. The SAFE revised the systems for cross-border transport of foreign banknotes, optimized handling procedures and incorporated the franchise institutions engaged in conversion between the RMB and foreign currencies into the scope for handling cross-border transportation of banknotes. A pilot program was carried out in Yunnan and Guangxi to expand the business scope of franchise institutions to support the development of border trade and the local economy. The SAFE supported some franchise institutions to engage in online currency exchanges and sale

of electronic travelers' check on an agency basis. The SAFE also supported franchise institutions in some regions to handle exchanges via debit cards by domestic residents through the POS machines.

Vigorously promoting the foreign exchange administration reform for insurance institutions. The SAFE facilitated foreign exchange market entry and fund exchange business of insurance institutions, by handling market entry and conversion between the RMB and foreign currencies for insurance institutions in accordance with laws, to promote the healthy development of the foreign exchange business of insurance institutions. By the end of 2014, 118 insurance companies in the country had obtained approval from the SAFE to run the foreign exchange business.

Streamlining and promoting management of foreign exchange business for securities firms. The SAFE improved the management of the *License for Foreign Exchange Operations in Securities Business* for securities companies, making clear that except for timely applying for a renewal of the License in accordance with the relevant provisions due to changes in company name, and adjustment of the foreign exchange business scope, securities companies do not need to regularly renew the License. Two securities institutions were approved to carry out foreign exchange settlement and sales business on a pilot basis. The pilot institutions were allowed to move into the domestic and overseas foreign exchange markets to expand the categories of innovative products in the foreign exchange market. Conducting of foreign exchange settlement and sales business by securities institutions is not only conducive to promoting the development of domestic and overseas foreign exchange markets, but also lays a foundation for improving the formation mechanism of RMB exchange rate marketization. By the end of 2014, 95 securities companies had been granted the qualification for foreign exchange business.

General ideas on supervision of the foreign exchange business of financial institutions in 2015: studying the management policies regarding the domestic

use of overseas bankcards in bank management; further promoting business innovations by banks and franchise institutions; gradually expanding the pilot scope for foreign exchange settlement and sales of OTC derivative product transactions of commodities by banks in accordance with the principle of unified legal person; supporting banks to provide more hedging services for clients; continuing to study foreign exchange policies in support of the business development of small- and medium-sized local financial institutions; actively exploring new models and tools for the management of foreign exchange settlement and sales by banks; gradually establishing the macro-prudential management framework for foreign exchange receipts and payments by banks, and increasing the policy instruments for counter-cyclical adjustments based on improving the response plans; studying and developing the foreign exchange administrative regulations for non-banking financial institutions, and supporting non-banking financial institutions to make innovations in the foreign exchange business, with a view to promote the development of the foreign exchange market.



Box 3 Facilitating the Settlement and Sales of Foreign Exchange by Banks

The original administrative framework for banks' foreign exchange settlement and sales business was established in 2002, and significant changes have occurred to foreign exchange settlement and sales by banks in the past twelve years. For the purpose of consolidating achievements of the foreign exchange administrative system reform, further adapting to the changes in foreign exchange receipts and payments, and embodying the administrative concepts of law-based administration and streamlining administration and delegating power to lower levels, the People's Bank of China revised the original administrative framework for foreign exchange settlement and sales. In June 2014, the People's Bank of China released the *Administrative Measures for Banks in Conducting Foreign Exchange Settlement and Sale Business* (Decree No. 2 [2014] of the People's Bank of China, the *Measures*). To support the implementation of the *Measures*, the SAFE released the *Circular of the State Administration of Foreign Exchange on Printing and Distributing Detailed Rules for the Implementation of the Administrative Measures for Foreign Exchange Settlement and Sales by Banks* (Huifa No. 53 [2014], the *Detailed Rules*).

The major revisions to the *Measures* include: firstly, dividing foreign exchange settlement and sales business into spot exchange settlement and sales business and RMB and foreign exchange derivative products business, and developing separate administrative standards for each of them; secondly, lowering the threshold for accessing the foreign exchange settlement and sales market, and simplifying market access management; thirdly, transforming the banks' management model of foreign exchange settlement and sales position, and giving banks more decision-making power in order to give full play to the initiative of market players to grow the foreign exchange business; fourthly, canceling some administrative permission and

Box 3 (continued)

qualification requirements to fulfill the transformation from focusing on ex-ante approval to focusing on ex-post monitoring; fifthly, revising the contents of some penalty provisions based on the foreign exchange practices.

The *Detailed Rules* integrate the original regulations on market entry of foreign exchange settlement and sales by banks, administration of spot foreign exchange settlement and sales, management of the RMB and foreign exchange derivatives, and management of comprehensive position of foreign exchange settlement and sales by banks, and adjust part of the management content. The highlights are as follows: firstly, the management of market entry of spot foreign exchange settlement and sales and RMB/foreign exchange derivatives transactions are integrated, and the filing procedures for the information changes of foreign exchange settlement and sales by banks are simplified; secondly, the requirement of unified service marks of the conversion between the RMB and foreign currencies for individuals is abolished, but banks conducting foreign exchange settlement and sales to individuals are still required to put the service mark in an evident position; thirdly, the daily assessment of the comprehensive position of foreign exchange settlement and sales is substituted by weekly assessment, while the interim policy that the comprehensive position of foreign exchange settlement and sales are linked with the foreign exchange loan-to-deposit ratio is abolished; fourthly, the approval authority over the RMB and foreign currency conversion of equity capital (working capital) of banks is delegated to lower levels, while the approval for the foreign exchange settlement and sales by banks on behalf of their debtors is cancelled; lastly, the principles of "knowing your customers, understanding your transactions, and due diligence" are specified for foreign exchange settlement and sales by banks.

Box 3 (concluded)

The introduction of the *Measures* and the *Detailed Rules* can facilitate banks' understanding and operations, and help propel the banks to standardize the exchange settlement and sales business, improve the depth and width of the foreign exchange market and support the development of the real economy. In the future, the SAFE will continue to strengthen data monitoring and analysis to identify abnormalities in a timely manner and further enhance ongoing and ex-post regulation.



Construction and Development of the Foreign Exchange Market

Deepening the development of the foreign exchange derivatives market. The SAFE increased the foreign exchange hedging instruments, with focus on foreign exchange options, supported the banks to provide diversified options services to clients and improved real demand management, thus promoting the foreign exchange market to better serve the real economy and support the stable growth of foreign trade.

Improving the administration of posted exchange rates of banks. The SAFE cancelled the restrictions on posted bid-ask spread of the USD to clients, and allowed banks to set the price on their own based on the supply and demand in the market, which signified the complete marketization of the posted exchange management of the RMB against all foreign currencies and marked a new milestone for the RMB exchange marketization formation mechanism.

Improving the infrastructure of the foreign exchange market. The SAFE expanded the scope of products and services provided by the transaction platform, and supported currency brokers to provide foreign exchange options brokerage services to achieve the coordinated development of foreign exchange options at both platforms of voice brokerage and electronic transactions. The SAFE developed foreign exchange clearing business, expanded the types of participants and products for the interbank foreign exchange market net clearing business and conducted a pilot program on central counterparty clearing business. Efforts were made to promote the reduction of spot bid-offer trading and clearing costs in the interbank foreign exchange market to create opportunities for reducing the exchange cost of the real economy.

Seeking new ideas on foreign exchange market regulation. The SAFE transformed the way of regulation, and improved the real demand management of foreign exchange derivatives to reduce regulation costs and enhance innovation efficiency. The SAFE promoted administration streamlining and power delegation, cancelled ex-ante access approval for the interbank exchange market, and significantly lower the threshold to access the foreign exchange derivatives market. The SAFE also promoted market self-discipline, guided market players to develop and release the *Guidelines on Professional Ethics and Market Practices in the Interbank Foreign Exchange Market*, thus initially establishing a new foreign exchange market administrative framework featuring both governmental regulation and market self-discipline.

General ideas on the construction and development of the foreign exchange market in 2015: Following the principle of regulation and delegation, the SAFE shall expand the type of players in the foreign exchange market, and increase the foreign exchange derivative product instruments, to promote market opening-up, improve infrastructure for transactions, clearing and information, and increase the depth and width of the foreign exchange market.



Enforcement of the Foreign Exchange Inspections and Regulations

In 2014 the SAFE actively organized special inspections of major entities with and key links in abnormal flows of cross-border capital, against false entrepôt trade, false trade finance and abnormal growth in forward settlement of foreign exchange, and severely cracked down on illegal and criminal activities involving foreign exchange business such as underground money shops, which produced positive results. Throughout the year the SAFE investigated and handled over 1900 cases involving activities in violation of the regulations on foreign exchange administration and collected RMB 450 million in administrative penalties.

Severely cracking down on false entrepôt trade through two channels. Rather than merely inspecting enterprises as it did in 2013, the SAFE stepped up efforts to inspect both enterprises and banks in 24 regions, from 13 regions in 2013, against false entrepôt trade. In 2014, it verified 79 enterprises that violated regulations during investigation, imposed an administrative penalty of RMB 147 million on them, and handed over 14 criminal cases to the public security authorities. The SAFE also investigated and verified 804 transactions on which the banks failed to carry out due diligence, and 568 transactions with the documents not duly endorsed by banks in the year.

Stepping up efforts for special inspections of financial institutions. Given the substantial growth in net forward settlement of foreign exchange via banks at the beginning of 2014, the SAFE organized special inspections of forward settlement of foreign exchange, with a focus on the enterprises with abnormal growth in forward settlement of foreign exchange and their handling banks, so as to curb illegal arbitrage through forward settlement of foreign exchange. The SAFE also promoted the normalization of inspections of financial institutions. Special inspections of nearly 600 bank branches and

46 finance companies and insurance companies were organized in the year, of which 443 cases involving violation of regulations by financial institutions were identified. The SAFE imposed a total penalty of RMB 26.15 million, effectively preventing the illegitimate flows of abnormal capital through financial institutions.

Rigorously cracking down on major illegal and criminal activities involving foreign exchange business. By continuing to work with public security authorities, the SAFE effectively identified the information on abnormal transactions, searched for clues of and continued with crackdowns on illegal and criminal activities involving foreign exchange businesses such as underground money shops in the year, which produced positive results. It ferreted out 32 illegal and criminal cases involving foreign exchange business such as underground money shops, involving a total amount of RMB 222.4 billion. RMB 170 million was frozen and more than 200 criminal suspects were captured under the collaboration of the SAFE and public security authorities. The SAFE also earnestly investigated and handled 20 plus significant and major cases involving foreign exchange businesses, imposing administrative penalties of over RMB 78 million in total.

Improving accuracy of crackdowns based on the off-site analysis system. By applying the foreign exchange inspection and analysis application system, the SAFE stepped up efforts to analyze and check clues through centralized analysis, cross-over analysis, independent analysis and special analysis etc. to improve the accuracy of crackdowns on the cross-border capital flows that violated regulations. In 2014, 2807 clues to abnormal cross-border capital flows and those that violated regulations were identified via off-site inspections and 798 clues were verified, with a clue verification rate of 28.4 percent. The percentage of the cases found out through off-site inspections rose from 2.2 percent in 2010 to 33.3 percent in the year, and the percentage of the penalties soared from 16.7 percent in 2010 to 69.9 percent in 2014.

Promoting foreign exchange credit system construction. By implementing the

requirements of the *Outline of the Plan for Social Credit System Construction* (2014-2020), the SAFE dedicated itself to the building and improving of the foreign exchange credit system mechanism. It continued to do a good job in disclosing the information on foreign exchange-related activities in violation of regulations and worked with the Credit Reference Center of the People's Bank of China and China E-port Committee to incorporate the information on foreign exchange-related activities in violation of regulations into the unified credit platform for the financial industry and the integrated database for importers and exporters, with the aim of intensifying punishment on discredited activities. It also increased efforts to circulate notice of criticism on banks that violate the regulations through bank briefings, risk reminders and onsite conversations, so as to urge banks to reinforce internal rectification efforts.

General ideas on the enforcement of the foreign exchange inspections and regulations in 2015: Focusing on the top priorities of foreign exchange administration and following the philosophies of seeking progress while maintaining stability and law-based administration, the SAFE will enhance assessment of current situations, step up efforts on off-site inspections and analysis of major entities and key aspects associated with cross-border capital flows that violate the regulations, organize special inspections of financial institutions as well as key industries and enterprises, and maintain intensive efforts in cracking down on foreign exchange-related activities that violate laws and regulations such as underground money shops, to further enhance the initiative, accuracy and effectiveness of foreign exchange inspections and stick to its bottom line of preventing systematic and regional financial risks.



Box 4 Big Data Analytics to Effectively Enhance Efficiency of Foreign Exchange Inspections

The SAFE has actively implemented the requirements of the CPC Central Committee and the State Council on administration streamlining and power delegation and enhancing ongoing and ex- post regulation in recent years and used big data analytics to enhance the relevance and effectiveness of regulation. From 2012 to 2014, the SAFE identified 7318 clues to foreign exchange-related activities that violated regulations and abnormal transactions through data analytics and checks, which represented an annual average increase of 21.9 percent. These clues involved 89252 transactions and USD 132.14 billion. In the same period, the SAFE verified 1524 cases in violation of foreign exchange regulations and imposed administrative penalties of RMB 650 million, thus effectively intimidating those who violated the foreign exchange laws and regulations.

Building technical foundations for big data analytics. In 2010, the SAFE independently developed and built the off-site foreign exchange inspection system and constantly had it improved. The system currently covers all the data sources of foreign exchange administration departments, integrating functions of "monitoring of abnormal situations, analysis of suspected entities and transactions, and classified management of entities", for the sharing and use of foreign exchange administration data across the country. By applying the concepts and methodology of big data analytics, the system can sort out suspected transactions and transactions that violate the regulations, and find out clues to significant cross-region cases that violate foreign exchange regulations from massive data on foreign exchange transactions, and also map out the overall tracks of capital operations by entities involved in suspected transactions and transactions that violate the regulations, so as to quickly and accurately locate the entities that violate laws and regulations on foreign exchange.

Building and improving mechanisms for off-site foreign exchange inspections and analysis. To enhance the organization and implementation of off-site

Box 4 (concluded)

inspections and analysis, the SAFE and its branches created off-site inspection and analysis positions, with the SAFE responsible for centralized analysis and the branches, independent analysis. Cross-over analysis, special analysis and off-site special inspections were also adopted. Based on the changing situations, off-site inspections and analysis were carried out on major channels for abnormal cross-border capital flows such as entrepôt trades and real estate investments, as well as on key businesses including trade finances and settlements of foreign exchange capital and external debts, to improve the efficiency of screening suspected clues.

Building and improving an indicator system for off-site inspections and analysis. Comprised of nearly 200 indicators that cover foreign exchange-related entities including banks, non-banking financial institutions, enterprises and individuals, the indicator system is designed to monitor almost all the transactions of foreign exchange receipts, payments, settlement and sales for trade in goods and direct investment, even the information on counterparties and handling banks. Through in-depth data mining, the SAFE can conduct the cross-regional, cross-entity, and cross-business monitoring, thereby enhancing the precision of crackdowns.

Building a normal inspection mechanism for analytics of banking big data. By understanding banks' foreign exchange business systems and database structures, the SAFE developed standards on extracting banking data to extract banking data on a quarterly basis. It also created a banking data analysis team to conduct off-site analysis and monitoring of banks' foreign exchange business, so as to understand banks' compliance status in running foreign exchange business, such as overall position of foreign exchange settlement and sales, and cross-border capital transactions. To enhance information sharing, the SAFE distributed relevant data to its branches and requested them to continue analyzing banks' data under the principle of territoriality, in an attempt to increase the relevance and coverage of the inspections.

Box 5 Special Inspections of Banks to Curb False Entrepôt Trade

Based on the 2013 special campaign against false entrepôt trade by enterprises, the SAFE organized special inspections of banks against false entrepôt trade in 2014, so as to crack down on false entrepôt trade by both banks and enterprises.

Targeted and highly relevant inspections. The SAFE selected 111 bank branches in 16 regions as the targets for the special inspections. The targeted banks were mainly the handling banks that were found violating the regulations and having abnormalities in the 2013 special campaign against false entrepôt trade as well as the banks with abnormal growth in entrepôt trade, including the branches of the state-owned banks and of foreign-funded banks and urban commercial banks. With a focus on the entrepôt trade from January 2012 to February 2014, the special inspections were aimed to verify whether the handling banks had rationally reviewed the authenticity of the transactions for entrepôt trade and had complied with the administrative regulations regarding entrepôt trade financing.

Violations identified from the banks in handling entrepôt trade. Some banks were found failing to conduct due diligence review on the authenticity of the entrepôt trade and to report their balance of payments as required. To be specific, they did not review the authenticity of the documents of title for the entrepôt trade, such as the bill of lading showing the net weight was larger than the gross weight, or the place of loading was the same as the port of discharge. Secondly, they did not find out that the entrepôt trade went against common sense, such as the date of issuance of the bill of lading being more than one year earlier than the signing date of the import and export contract, the bill of lading showing the same carrier went to and from different ports many times in one day, and the transaction price deviating from the normal market price considerably. Thirdly, they did not find the defects of the contracts, such as the contract not being signed, and the total confusion of the signatures and seals of the parties to the entrepôt trade contract from those of the real parties. Fourth, they did not find the inconsistencies in the

Box 5 (concluded)

transaction instruments, such as the inconsistencies between the contract and the invoice and the bill of lading in terms of the volume of goods, between the port of destination as shown in the import contract and the port of shipment as shown in the export contract, and between the name of goods as shown in the purchase contract for the entrepôt trade and the number of goods as shown in the sales contract.

Integrating punishment and education to standardize banks in handling entrepôt trade financing. In accordance with the *Regulations on Foreign Exchange Administration of the People's Republic of China*, the SAFE duly punished the banks that violated regulations in handling entrepôt trade, intensified supervision and inspections of the compliance and execution of banks' internal control systems, and raised their awareness of compliance risks through window guidance such as risk reminders and conversations. Meanwhile, the SAFE further stepped up efforts to promote publicity and provide training on foreign exchange administration policies and regulations, and urged banks to organically combine their business development principles and compliance in running foreign exchange business.



Management of Foreign Exchange Reserves

Improving large-scale foreign exchange reserves management to ensure the profitability of reserves. With investment capability building its working priority, the SAFE focused on promoting the scientific and deepening management of foreign exchange reserves investment. To be specific, it continuously making efforts to improve the investment benchmark system, implement innovative investment strategies, stably expand investment channels and optimize the diversified asset allocation. As a result, the SAFE witnessed the continued improvement of its investment capabilities in various aspects and ensured the profitability of reserves.

Diversified and innovative use of foreign exchange reserves to serve national strategies. Through continuously improving SAFE co-financing platform, the SAFE expanded multiple effective channels including entrusted loans, fully supported key areas such as enterprises going global, import and export of energy resources and key fields, and playing a positive and significant role in serving the real economy. It also supported the Silk Road Fund to serve the national "One Belt and One Road" strategy and was committed to promoting international cooperation such as the establishment of BRICs foreign exchange reserve pool and a co-financing fund with the African Development Bank.

Maintaining the bottom line of risk management to ensure management of foreign exchange reserves. The SAFE continued to enhance risk prevention and control by improving the long-term institutional and supervision mechanisms, and emphasized the cleanup of undesirable work styles and the building of moral integrity, so as to curb moral hazards from the beginning. It intensified risk monitoring, and promptly optimized risk strategies to constantly improve the logic, completeness and consistency of risk management. It also improved the multidimensional risk assessment system

and implemented the "zero-tolerance" principle against operational risks and moral hazards.

Enhancing the management capabilities of the organization by improving the methodology system of internal resources, such as human resources, financial budget, goods and processes. Putting people first, the SAFE improved the scientific HR management system, and successfully built a talent team with international competitiveness. It focused on enhancing IT system construction by upgrading the information network thoroughly and improving the construction of production and backup centers, so as to promote the smooth management of foreign exchange reserves based on the IT construction. As a result, the management of foreign exchange reserves became more standardized, professional and internationalized, winning recognition from both domestic and international counterparts.

General ideas on management of foreign exchange reserves in 2015 are detailed as follows: Upholding the national strategies, the SAFE will focus on diversifying the use of foreign exchange reserves, optimizing the mechanisms and improving the efficiency to better serve the real economy and the long-term national strategies. It will continue to optimize the asset allocation and strengthen the capability-building for investment transactions, to ensure the profitability of foreign exchange reserves. It will incorporate the safety of foreign exchange reserves into the framework of national security strategy, putting risk prevention and control as top priority to ensure the safety of foreign exchange reserves. It will also continue to enhance the IT system improve the emergency response system for foreign exchange reserves and promote the construction of talent teams, institutions and mechanisms for foreign exchange reserves.

Construction of the Legal System for Foreign Exchange Administration

Fully improving the level of law-based administration. The SAFE further improved the law-based decision-making mechanism by incorporating public engagement, expert verification, risk assessment, legitimacy review and group discussion and decision making as the statutory processes for major administrative decision making. It built and improved the legal counseling system by standardizing the release of risk warning letters to intensify restrictions and supervision of administrative power. It strengthened the qualification management of administrative law enforcement officials and required them to obtain qualification certificates before taking up positions. In addition, it vigorously organized trainings on law-based administration in the foreign exchange administration system and comprehensively raised the awareness of law-based administration among foreign exchange law enforcement officials and improved their capabilities in this regard.

Continuing to deepen the administrative approval item reform. A total of five administrative approval items for foreign exchange administration were canceled in 2014, including authenticity review for purchases and payments of foreign exchange under non-trade activities by domestic institutions, verification of outward remittance of earnings and foreign exchange purchases by foreign investors of financial institutions, verification of domestic transfer of institutions' foreign exchange funds, verification of foreign exchange settlement, purchases, payments and registration by institutions in the special economic zones, and approval for foreign exchange settlement for the recall of funds raised overseas under overseas listed foreign shares. Ongoing and ex-post management was strengthened, and deregulation and regulation were combined to maintain the SAFE's bottom line that systematic and regional financial risks will not occur.

Stepping up efforts to streamline legislations on foreign exchange administration. The SAFE continued to streamline legislations on foreign exchange administration in the year by actively nullifying the legislations that were not in conformity with the needs for economic and social development, effectively integrating regulatory documents with overlapped contents and supplementing and modifying regulations that lacked management or efficient management. A total of 28 new legislations on foreign exchange administration were introduced while 88 legislations were abolished to further build and improve the legislative framework for foreign exchange administration.

General ideas on construction of the legal system for foreign exchange administration in 2015: The SAFE will continue to promote law-based administration, enhance the top-down design of the legislative framework for foreign exchange administration, and deepen the foreign exchange administration reform using legal way of thinking and approaches to concretely ensure the legitimate rights and interests of players in the foreign exchange market.



Box 6 Deepening the Pilot Reform on Centralized Operations and Management of MNCs' Foreign Exchange Funds

In 2012, the SAFE carried out a pilot program on the centralized operations and management of MNCs' foreign exchange funds. In April 2014, based on the experience from the pilot program, the SAFE released the *Circular of the SAFE on the Issuance of the Regulations on the Centralized Operation and Management of the Foreign Exchange Funds of MNCs (Interim)* (Huifa No. 23 [2014]) to roll out the program nationwide. Under the principles of serving the real economy, reducing financing costs, efficiently allocating resources and effectively preventing risks, the following reform and innovative measures were adopted in the pilot program:

Firstly, MNCs were allowed to open domestic and international master accounts to manage foreign exchange funds of their domestic and global member companies in a centralized manner, including centralized collection and payments of foreign exchange, and netting settlements, while the member companies could share the quotas on external debts and outbound lending.

Secondly, the document review procedures for receipts, settlement, purchases and payments of foreign exchange under the current account for MNCs were streamlined. Banks were required to process the receipts, settlement, purchases, and payments of foreign exchange under the current account under the principles of "knowing your customers," "understanding your business," and "due diligence", while a Filing Form of Taxes was still required for outbound payments under trade in services.

Thirdly, efforts were made to facilitate MNCs to handle exchange settlement for capital and external debts. Discretionary exchange settlement and direct payments were allowed in this regard, provided that the authenticity was verified as required.

Box 6 (concluded)

Fourthly, no limit was imposed on the master account and no restriction was placed on the scope of overseas receipt and payment in the case of overseas transfers of international foreign exchange funds; within the limits of external debts and outbound lending, domestic and international accounts could be connected to facilitate companies' cross-border investment and financing activities.

Fifthly, efforts were made to build multi-layered "firewalls" to prevent and control risks by collecting the information on foreign exchange receipts and payments of MNCs, and centralizing collection, payments, or net settlement of MNCs' foreign exchange to report restored data, keeping relevant documents for future reference, making sure the control and monitoring "valve" for the limits was preserved, and suspending or canceling relevant business handled by companies in case of abnormal capital flows or violations by companies.

Based on the market demand, the pilot program made breakthroughs in the existing foreign exchange administration framework and conducted explorations to promote the convertibility of RMB under the capital account. The program facilitated Chinese and foreign-funded MNCs to make rational use of their internal funds and eased the difficulty and reduced the costs of financing by enterprises, which made it easier for companies to go global, and therefore, the program received wide acclaim from banks and enterprises. Some MNCs saved hundreds of millions of yuan in financial cost alone in one year, some managed to reduce an annual amount of settlement by nearly 90 percent by conducting netting settlement and thus significantly accelerated capital turnover, and some others upgraded their finance management center in China to fund center for the Asia-Pacific region, whereby consolidating and enhancing China's regional advantages in utilizing foreign investment.

Disclosure and Dissemination of Information on Government Affairs

Adopting a comprehensive and multi-faceted approach to press publicity of foreign exchange administration. With its official website as the main platform, the SAFE worked actively to promote and interpret foreign exchange administration with focus on the foreign exchange reform and its effectiveness. The SAFE used new media such as microblog and WeChat to expand the scope of press publicity for foreign exchange administration. Based on the progress in the streamlining of the foreign exchange administration regulations, the SAFE published the Catalogue of Existing Laws and Regulations in Effect on Foreign Exchange Administration to facilitate the learning and use of the foreign exchange administration regulations by market players. The SAFE also released the *Annual Report of the State Administration of Foreign Exchange 2013* and the *2013 Report on the Work of the SAFE on Disclosure of Government Information* to facilitate the understanding of foreign exchange administration by the general public.

Actively addressing social concerns. The SAFE built and improved the press release, promotion and guidance systems and mechanisms in the year by building a work system on holding press conferences on a quarterly basis and participating in the press conferences of the NPC and the CPPCC. It convened four press conferences on foreign exchange situations at the Information Office of the State Council, and four on foreign exchange administration policies on its own, to provide in-depth interpretation on hot issues of social concern. With regard to the continued depreciation of the RMB exchange rate both at home and abroad, which drew much media attention, the SAFE made a prompt response to social concerns via its website and other channels and

guided the general public to properly view the bidirectional fluctuations of the RMB exchange rate. The SAFE advanced the building of branch subsites under its website, increased exchanges with the general public, and responded to nearly 1500 consulting cases in the year.

Increasing transparency of data dissemination. The varieties of data released were increased. The SAFE released for the first time the monthly data on China's international trade in services and the data on balance of payments and external debts denominated in RMB. It also published the balance of payments statement and the international investment position in a timely manner, and announced on a monthly basis the approval of the investment quotas for qualified institutional investors, such as QFIIs, QDIIs, and RQFIIs.

Earnestly doing well the work related to applications for the disclosure of information on government affairs. The SAFE disclosed its budget for 2014, the final accounts for 2013, and the budget and final accounts for the "three public expenses" (government expenses for overseas trips, food and entertainment, and public vehicles) for public supervision in a timely manner. The SAFE strengthened administration of government procurement and released circulars on the work related to enhancing demand management for government procurement, requiring that the cost of procurement should be reduced and the transparency of procurement should be enhanced. The SAFE accepted applications for disclosure of government information and provided responses pursuant to the law. In 2014, it accepted seven applications for the disclosure of government information and gave replies within the legal time limit and according to the legal procedures.

Successfully completing the handling of suggestions and proposals collected from the NPC and the CPPCC in 2014. 52 suggestions from the NPC and proposals from the CPPCC were accepted and handled in the year, and the replies were satisfactorily given on time. In handling these suggestions and

proposals, the SAFE played an active role in improving its working system, continuously making innovations to its work methods, facilitating the exchange of ideas and communications with the delegates and committee members of the NPC and the CPPCC, and carefully studying and absorbing their comments and suggestions, thereby further promoting the reform and development of foreign exchange administration.

General ideas on disclosure and dissemination of information on government affairs in 2015: To accomplish the core tasks of foreign exchange administration, the SAFE shall follow the requirements of the "five changes", make full use of its official website and the quarterly press conferences to provide in-depth interpretation of foreign exchange situations and foreign exchange administration policies, with focus on deepening the foreign exchange administration reform, promoting basic equilibrium of balance of payments, guarding against cross-border capital flow risks and facilitating trade and investment, and address social concerns in a timely manner. The SAFE shall use tools and channels to promote the progress and effectiveness of the foreign exchange administration reform, so as to create a more favorable public opinion environment for foreign exchange authorities to fulfill their responsibilities effectively.



IT Applications

Promoting applications of the monitoring and analysis system for cross-border capital flows. Following the philosophy of regulating market players, the SAFE kicked off a nationwide pilot program and promotion of the monitoring and analysis system for cross-border capital flows and integrated the data resources from business systems, providing significant tools for enhancing ex-post monitoring and analysis, identifying abnormal market players and preventing risks arising from cross-border capital flows. In addition to the database for foreign exchange administration, the SAFE developed applications to monitor and analyze trade in services, balance of payments, capital account and MNCs' capital operation. It also guided its branches to study the approaches to and cases of data application, promote typical cases and tap the application value of foreign exchange data, which produced positive results.

Enhancing construction and promotion of the foreign exchange business systems. The construction of the monitoring system phase III for foreign exchange under trade in goods was completed for the board-based, multidimensional and time series-based monitoring of imports and exports, foreign exchange receipts, payments, settlement and sales, and trade finance under trade. The capital account information system phase II was promoted and launched, significantly strengthening the SAFE's capabilities of ex-post regulation, offsite verification and control of data quality. The construction of the statistical system for external financial assets, liabilities and transactions was completed, laying a foundation for improving the statistical monitoring of cross-border capital flow and enhancing regulation of foreign-related economic agents and risk monitoring.

Completing the collection of many electronic datasheets on foreign exchange administration. Based on electronic spreadsheets, the electronic submission of 19 datasheets in 6 categories including monitoring of insurance companies'

foreign exchange, payment institutions' payments of foreign exchange under cross-border e-commerce, trade finance by banks, franchised individual exchange between domestic and foreign currencies, statistics on exchange rate exposure of banks' noble metal business and statistics on allocation and transportation of foreign currency banknotes in or out of China by banks was developed and promoted, in order to actively cooperate with the implementation of relevant foreign exchange administration policies.

Exploring the connected interface service for banks and enterprises. The SAFE built and ran a connected interface between banks and enterprises and itself, and organized a pilot program among banks, enterprises, and some of its branches to provide the connected interface service, with focus on improving the level of technical service for foreign exchange administration. The pilot program produced positive results and was well received among the banks, enterprises, and its branches, providing valuable experience for the subsequent expansion of the application scope of the connected interface service.

Releasing the code for unified data acquisition. By integrating existing regulatory documentation on data acquisition, the SAFE developed the *Circular of the State Administration of Foreign Exchange on Issuing the Standards Version 1.0 for Collecting Data on Foreign Exchange Transactions by Financial Institutions* (Huifa No. 18 [2014]) to uniformly collect the data on external financial assets, liabilities and transactions, deposits and withdrawal of individual foreign currency banknotes and banks' external debts (new interface) and further expand the foreign exchange data system.

Building and improving an information security assurance system. The SAFE released and implemented an information security management system, deployed a configuration baseline for information security, and developed and released the *Plan of the State Administration of Foreign Exchange for Information Security*. It also comprehensively analyzed the demand for

information security assurance as the information technology is applied, assessed the current state of information security, and clarified the tasks for IT applications, so as to improve the level of control over the risks associated with information security.

Accelerating the construction of IT infrastructure. The SAFE preliminarily completed the drafting of the demand document for the construction of "three centers in two places", and developed a plan for the construction of its e-government intranet, which covered the construction of the network, the system, the shared database and the website. It also successfully organized the construction of Shanghai Remote Disaster Recovery Center and guided its branches to fully complete the network upgrade and reconstruction.

General ideas on IT applications for foreign exchange administration in 2015: The SAFE will enhance IT planning and standardization and organize the development of the IT plan for the 13th "Five-Year" Plan period. It will be committed to the improvement of relevant codes and supervision and inspection mechanisms for information security. It will also accelerate the construction and promotion of the application system, promote and run the statistics system on external financial assets, liabilities and transactions, and complete the construction of the monitoring system for individual foreign exchange business before launching it. Further, it will enhance data management and the application of monitoring and analysis, and expand the application scope of the monitoring and analysis system for cross-border capital flows to further improve the data system for foreign exchange administration. The construction of the "three centers in two places" was also accelerated. By increasing communication and exchanges with banks and enterprises, the SAFE will strive to promote the e-government services for banks and enterprises.

Box 7 System and Data Integration Provide Effective Tools for Ongoing and Ex-post Regulation

By combining deregulation and regulation, the SAFE has simultaneously arranged for and promoted system and data integration, administration streamlining and power delegation and deepening of the foreign exchange administration reform, with focus on the integration of business systems, thus realizing the unified acquisition and sharing of data, which provides effective tools for the ongoing and ex-post regulation and ensures the smooth advancement of the foreign exchange administration reform in key areas.

Building an electronic information service platform for effective integration of business systems. Given the many and scattered foreign exchange administration systems, the SAFE organized the construction of an electronic information service platform to integrate the many business systems into one, with functions defined by the types of visitors and the categories of business, and launched an online service platform for banks and enterprises, enabling them to access the platform through the same portal and providing one-stop services for them, thus effectively cutting the social cost. At present, nearly 40 percent of the declarations for corporate and individual foreign-related income and domestic income were completed online, significantly relaxing the burden on the declarers to go to the banks to make a paper-based declaration.

Advancing unified acquisition and sharing of data to strengthen the data foundation for monitoring and analysis. Starting from data integration, the SAFE set the data standards and built unified data acquisition channels for foreign exchange administration, making it possible for unified acquisition of the balance of payments, current account and capital account management data. Based on system integration, the SAFE organized process reengineering to ease the burden on banks and enterprises to report data to the foreign exchange authorities. The

Box 7 (concluded)

SAFE also organized the deepening of data sharing to fully meet the needs of the foreign exchange authorities for statistics monitoring and use of business data within the system, and to provide data sharing services for banks and enterprises.

Deepening the comprehensive use of data to improve the efficiency of ongoing and ex-post regulation. While building a database on foreign exchange transactions, the SAFE encouraged application of basic data services by providing flexible analysis and query services, and in-depth data mining and analysis if possible, making it easier for regulation. Meanwhile, it increased the monitoring and analysis indicators and explored an offsite indicators system connecting the macro, meso and micro levels to enable cross-region, cross-player and cross-business ongoing and ex-post regulation.

With persistent exploration and efforts, the SAFE witnessed significant progress in IT applications, especially in system and data integration, thus ensuring the smooth advancement of the foreign exchange administration reform in key areas. The SAFE also has strengthened the ties between business innovations and administration reform and data acquisition and analysis, making it possible for the foreign exchange administration reform to be proceeded based on data.



International Exchanges and Cooperation

Developing rules and regulations to regularize business trips. By implementing the gist of the eight-point guidelines proposed by the CPC Central Committee and the requirements of relevant documentation, with focus on work priorities and reforms in key areas of foreign exchange administration, the SAFE modified the regulations on overseas business trips and improved the public announcement system of visiting persons and regions, so as to regularize business trips. The SAFE organized delegations for overseas surveys on foreign exchange administration reform for free trade zones, centralized operations of MNCs' funds, macro-prudential management of foreign exchange receipts and payments via banks, statistics and analysis of balance of payments, management of e-commerce and payment institutions, macro-prudential management of external debts and liberalization of capital. The staff of SAFE also actively learned and drew on experience from foreign countries by participating in overseas meetings and training programs held by the IMF, central banks of foreign countries (regions), and so forth, in an effort to provide reference for the reform of foreign exchange administration.

Promoting international exchanges in an orderly manner. The SAFE arranged for high-level talks with the US Department of the Treasury, Federal Reserve Bank of New York, Central Bank of Venezuela, Central Bank of Azerbaijan, and Kuwait Investment Authority, negotiated with international institutions such as the IMF, Institute of International Finance, Global Financial Market Organization, and Asia Securities Industry and Financial Markets Association, and regularly communicated with foreign financial institutions, foreign-funded banks and embassies of other countries in China, thus creating a

favorable international communication environment for foreign exchange administration.

Deepening international financial cooperation. The SAFE sent representatives to the 7th Asian Financial Forum meeting, IMF Workshop on Asian Macroeconomics, Workshop for Asian Institutional Investors and Workshop on Cross-Strait Banking and Finance to enhance financial cooperation in the Asia-Pacific region. The SAFE attended the negotiation on Bilateral Investment Treaty between the US and China, the negotiation on Bilateral Investment Treaty between Europe and China, and the 9th session of Sino-Kazakhstan Financial Cooperation Subcommittee to expand bilateral exchanges and cooperation. The SAFE also participated in the Experience Workshop on China's Financial Reform, the meeting of Balance of Payments Statistics Committee and the Special Workshop for International Banking Data Compilers to discuss and promote global financial cooperation.

Organizing overseas training in an orderly manner. Following the requirements of the CPC Central Committee and the State Council on cost saving, the SAFE actively boosted cooperation with global financial institutions and organized overseas training in an orderly manner, with focus on work priorities and reforms in key areas of foreign exchange administration.

General ideas on international exchanges and cooperation in 2015: The SAFE shall focus on the central task of foreign exchange administration, give play to its foreign affairs coordination and management functions, and fully leverage international and domestic resources to expand both depth and breadth of external relations. By continuing to implement the gist of the eight-point guidelines of the CPC Central Committee and following the gist of the Central Foreign Affairs Work Conference, the SAFE shall be more

rigorous in approving of overseas trips and promote visits to China. It shall enhance study and cooperation in the international financial field, coordinate domestic and overseas training resources and constantly improve the level of international exchanges and cooperation to earnestly serve foreign exchange administration.



Internal Management

Deeply studying and implementing the gist of the 3rd and 4th Plenary Sessions of the 18th CPC Central Committee. The SAFE deeply implemented the key decisions and plans for deepening reform and promoting rule of law in an all-round way, studied the gist of the speeches delivered by General Secretary Xi Jinping, and pressed ahead with rectification efforts in the CPC's Mass Line Education and Practice Campaign. In accordance with the Regulations of the Communist Party of China on the Work of Grassroots Organizations of the CPC and Government Departments, the SAFE stepped up efforts to build knowledge, service and innovation-driven grassroots CPC organizations. The SAFE also was committed to improving its work styles and working diligently to enhance the political and theoretical quality of the CPC officials and promote smooth foreign exchange administration.

Pressing ahead with improvement of work styles and upholding of integrity. In accordance with the gist of the 3rd and 4th Plenary Sessions of the CPC Central Commission for Discipline Inspection and the 2nd Working Conference of the State Council on Upholding Integrity, the SAFE introduced the Opinions of the State Administration of Foreign Exchange Party Leadership Group on Implementing Principal and Supervision Responsibilities in Improving Work Styles and Upholding Integrity among CPC Officials. The SAFE conscientiously implemented the eight-point guidelines proposed by the CPC Central Committee and investigated and coped with behaviors that violate the regulations and disciplines. While organizing educational activities to combat corruption and uphold integrity, the SAFE established and improved a long-term mechanism to prevent and control risks associated with integrity. The SAFE launched a pilot program on monitoring of law enforcement to standardize the exercise of administrative power. The SAFE also focused on pushing forward the transformation of functions, approaches and work styles of the discipline inspection and supervision authorities to

improve their capabilities in discharging their responsibilities.

Strengthening the building of official team. The SAFE continued to implement the selection and appointment of officials at the departmental and divisional levels according to the newly revised *Regulations on the Selection and Appointment of the Party and Government Officials*; facilitated official exchanges in numerous ways, and actively selected officials to work in local governments, PBC branches, and domestic and overseas financial management departments. Domestic and overseas training was carried out for officials in a variety of forms, levels, and channels, with increasing relevance and effectiveness.

Increasing internal audit efforts. The SAFE actively carried out peer audits and further explored new ideas on internal audits; organized special audit of some branches, continued performance audits and risk-oriented audits, made innovations in theoretical research, and promoted application of the outcome.

Further regulating work order. In accordance with the gist of the eight-point code proposed by the CPC Central Committee, the SAFE streamlined documentation and improved the mood of meeting and the style of writing to improve efficiency. While intensifying financial management for meetings and improving the methods for managing expenses on overseas business trips, travels and projects, the SAFE strengthened duty management and supervision to make sure government decrees were carried out smoothly. The SAFE also improved the financial and economic disciplines, encouraged thrift and savings, and enhanced internal control system, with focus on expense auditing by effectively reducing the "three public expenses" and general administrative expenditures. The SAFE further enhanced the confidentiality management by uniformly standardizing document management for foreign exchange business. The SAFE also reinforced the management of government's procurement requirements, with focus on cutting the cost of procurement and increasing its transparency.

General ideas on internal management in 2015: The SAFE shall strictly exercise self-discipline, and raise the awareness of reform and law-based administration among CPC officials to enhance the scientific level of government agencies in building the Party. To implement the principal and supervision responsibilities in improving work styles and upholding integrity among CPC officials, the SAFE shall implement the eight-point guidelines proposed by the CPC Central Committee and the long-term mechanism for preventing and controlling risks associated with integrity, and improve the accountability system for supervision and discipline enforcement. The SAFE shall continue to improve the HR system and intensify training to officials to enhance their quality. To make auditing more standardized, systematic and scientific, the SAFE shall combine compliance audit with internal control audit, risk-oriented audit, responsibility-performance audit and performance audit. The SAFE shall standardize further the management of workplaces by enhancing duty and emergency response management and stepping up supervision efforts. While intensifying management, supervision and inspection of special expenses, the SAFE shall handle complaints and visits in compliance with laws and make sure they are kept secret as required.



Box 8 Implementing Principal and Supervision Responsibilities in Improving Work Styles and Upholding Integrity among CPC Officials

According to the *Decisions of the CPC Central Committee on Key Issues in Deepening Reform in an All-round Way*, introduced at the 3rd Plenary Session of the 18th CPC Central Committee, the CPC committees are to shoulder the principal responsibilities while the commissions for discipline inspection, the supervision responsibilities in implementing the accountability system for improving work styles and upholding integrity among CPC officials, which provides system support and fundamental guarantee for better implementing the guideline of "strictly governing the Party by itself", pressing ahead with improving work styles and upholding integrity among CPC officials, and combating corruption. In 2014, the SAFE implemented the decisions and plans of the CPC Central Committee for implementing the principal and supervision responsibilities in improving work styles and upholding integrity among CPC officials, by raising the awareness of grassroots CPC organizations of their responsibilities in the effort, whereby expanding the scope of improving work styles and upholding integrity among CPC officials, and combating corruption.

Drawing attention from Party Leadership Group and making comprehensive plans. Immediately after the 3rd and 4th Plenary Sessions of the CPC Central Commission for Discipline Inspection and the 2nd Working Conference of the State Council on Upholding Integrity, the SAFE Party Leadership Group convened a theory study expansion meeting for its core team and conveyed the gist of the speeches by the leaders from the CPC Central Committee, so as to acquire a deep understanding of the gist and develop an accurate knowledge of the work requirements. At the Work Conference on Foreign Exchange Administration in China and the Work Conference on Improving Work Styles and Upholding Integrity among CPC Officials held by the SAFE, Yi Gang, secretary of Party Leadership Group of and administrator of the SAFE, delivered a speech stressing

Box 8 (continued)

that Party organizations at various levels should work conscientiously to make sure the requirements proposed by General Secretary Xi Jinping on implementing the principal responsibilities are implemented. Yang Guozhong, member of the Party Leadership Group and leader of the discipline inspection group of the SAFE, made comprehensive arrangements for the work of the SAFE and the public institutions directly under it, and imposed clear requirements on implementing the principal responsibilities and further performing the supervision responsibilities. Yi Gang attended the panel discussion held by the CPC Central Commission for Discipline Inspection on implementing the principal responsibilities and reported to the Commission the efforts the SAFE has made in the implementation. Immediately after the panel discussion, Yi held an internal meeting at the SAFE to convey the gist of the discussion and study and make plans for the implementation.

Defining responsibilities and improving mechanisms. The SAFE Party Leadership Group introduced the *Opinions on Implementing Principal and Supervision Responsibilities in Improving Work Styles and Upholding Integrity* (the *Opinions*) among CPC Officials, setting forth 6 tasks of the Group, 5 tasks of grassroots CPC organizations, and 5 tasks of the Discipline Inspection Group, and building or improving 5 guarantee mechanisms for the implementation. The *Opinions* was circulated in the system for reference in the implementation. Panel discussions on implementing the principal responsibilities were also held to impose pressure on, assign tasks to, and propose requirements on grassroots CPC organizations regarding the implementation. CPC organizations at various levels frequented study, and raised awareness and deepened understanding of the concept of "not improving work styles and upholding integrity being duty neglect while failure to effectively improve work styles and uphold integrity being malpractice". With responsibilities defined, they bore in mind the principal responsibilities and focused on the implementation, in an attempt to align their thoughts and actions

Box 8 (concluded)

with the decisions and plans of the CPC Central Committee and the SAFE Party Leadership Group.

Promoting "three transformations" and enhancing supervision. Following the requirements of the CPC Central Commission for Discipline Inspection on transforming functions, approaches and work styles of discipline inspection and supervision authorities, the Discipline Inspection Group (Supervision Office) at the SAFE required exit of 4 negotiation coordination institutions and leadership teams, canceled 3 leadership teams and retained 4 participating leadership teams, and limited the role of the discipline inspection heads to discipline inspection and supervision, thus providing an organization guarantee for focusing on supervision, discipline enforcement and discharging of responsibilities. While implementing the important decisions and plans of the CPC Central Committee and the SAFE's Party Leadership Group, the SAFE intensified supervision and inspection of the departments, institutions and branches. Regarding the cases to be handled by the Management and Inspection Department, the SAFE organized collective reviews of the implementation of the meeting system and carried out a pilot program on law enforcement supervision to accumulate relevant experience. *The Process for Inspecting Cases Associated with Discipline Inspection and Supervision (Interim)* and *the Hearing Process Regarding Discipline Inspection and Supervision (Interim)* were developed to further standardize discipline inspection and supervision. Supervision and inspection of the implementation of the gist of the eight-point guidelines proposed by the CPC Central Committee were intensified to investigate and cope with violations of regulations and disciplines. The SAFE also organized training sessions for full- and part-time discipline inspection and supervision officials to strengthen their sense of responsibility. With all these efforts, the SAFE successfully fulfilled its supervision responsibilities.

Foreign Exchange Statistics

Table S1 China's Balance of Payments, 2014

Unit: 100 million US dollars

Items	Line	Balance	Credit	Debit
I. Current Account	1	2197	27992	25795
A. Goods and Services	2	2840	25451	22611
a. Goods	3	4760	23541	18782
b. Services	4	-1920	1909	3829
1. Transportation	5	-579	382	962
2. Travel	6	-1079	569	1649
3. Communication Services	7	-5	18	23
4. Construction Services	8	105	154	49
5. Insurance Services	9	-179	46	225
6. Financial Services	10	-4	45	49
7. Computer and Information Services	11	99	184	85
8. Royalties and Licensing Fees	12	-219	7	226
9. Consulting Services	13	164	429	265
10. Advertising and Public Opinion Polling	14	12	50	38
11. Audio-visual and Related Services	15	-7	2	9
12. Other Business Services	16	-217	14	231
13. Government Services n.i.e.	17	-10	11	20
B. Income	18	-341	2130	2471
1. Compensation of Employee	19	258	299	42
2. Investment Income	20	-599	1831	2429
C. Current Transfers	21	-302	411	714
1. General Government	22	-29	16	46
2. Other Sectors	23	-273	395	668
II. Capital and Financial Account	24	382	25730	25347
A. Capital Account	25	0	19	20
B. Financial Account	26	383	25710	25328
1. Direct Investments	27	2087	4352	2266
1.1 Abroad	28	-804	555	1359
1.2 Domestic	29	2891	3797	906
2. Portfolio Investments	30	824	1664	840
2.1 Assets	31	-108	293	401
2.1.1 Equity Securities	32	-14	170	184
2.1.2 Debt Securities	33	-94	123	217
2.1.2.1 Bonds and Notes	34	-92	123	215

Table S1 (concluded)

Unit: 100 million US dollars

Items	Line	Balance	Credit	Debit
2.1.2.2 Money Market Instruments	35	-2	0	2
2.2 Liabilities	36	932	1371	439
2.2.1 Equity Securities	37	519	777	258
2.2.2 Debt Securities	38	413	594	181
2.2.2.1 Bonds and Notes	39	410	497	88
2.2.2.2 Money Market Instruments	40	4	97	94
3. Other Investments	41	-2528	19694	22222
3.1 Assets	42	-3030	995	4025
3.1.1 Trade Credits	43	-688	282	970
Long-term	44	-14	6	19
Short-term	45	-674	276	950
3.1.2 Loans	46	-738	177	915
Long-term	47	-455	0	455
Short-term	48	-282	177	459
3.1.3 Currency and Deposits	49	-1597	514	2111
3.1.4 Other Assets	50	-8	22	29
Long-term	51	0	0	0
Short-term	52	-8	22	29
3.2 Liabilities	53	502	18699	18197
3.2.1 Trade Credits	54	-21	154	174
Long-term	55	0	3	3
Short-term	56	-20	151	171
3.2.2 Loans	57	-343	17464	17807
Long-term	58	-57	511	569
Short-term	59	-286	16953	17239
3.2.3 Currency and Deposits	60	814	994	180
3.2.4 Other Liabilities	61	52	87	35
Long-term	62	58	64	6
Short-term	63	-6	23	29
III. Reserves Assets	64	-1178	312	1490
3.1 Monetary Gold	65	0	0	0
3.2 Special Drawing Rights	66	1	1	1
3.3 Reserves Position in the Fund	67	10	13	4
3.4 Foreign Exchange	68	-1188	298	1486
3.5 Other Claims	69	0	0	0
IV. Net Errors and Omissions	70	-1401	0	1401

Notes: 1. This statement employs rounded-off numbers.

2. This statement is the result of the sum of the USD values in the balance of payments statements for the four quarters of 2014.

Table S2 Abridged Balance of Payments, 1990–2014

(1)

Unit: 100 million US dollars

Items \ Year	1990	1991	1992	1993	1994
I. Current Account Balance	120	133	64	-119	77
Credit	608	705	856	922	1264
Debit	488	572	792	1041	1188
A. Goods and Services Balance	107	116	50	-118	74
Credit	574	659	788	866	1189
Debit	467	543	738	983	1116
a. Goods Balance	92	87	52	-107	73
Credit	515	589	696	757	1026
Debit	424	502	644	863	953
b. Services Balance	15	29	-2	-11	1
Credit	59	70	92	109	164
Debit	44	41	94	120	163
B. Income Balance	11	8	2	-13	-10
Credit	30	37	56	44	57
Debit	20	29	53	57	68
C. Current Transfers Balance	3	8	12	12	13
Credit	4	9	12	13	18
Debit	1	1	1	1	4
II. Capital and Financial Account Balance	-28	46	-3	235	326
Credit	204	203	302	508	618
Debit	232	157	305	274	291
A. Capital Account Balance	0	0	0	0	0
Credit	0	0	0	0	0
Debit	0	0	0	0	0
B. Financial Account Balance	-28	46	-3	235	326
Credit	204	203	302	508	618
Debit	232	157	305	274	291
1. Direct Investments Balance	27	35	72	231	318
Credit	35	44	112	275	338
Debit	8	9	40	44	20
2. Portfolio Investments Balance	-2	2	-1	31	35
Credit	0	6	9	50	45
Debit	2	3	9	20	10
3. Other Investments Balance	-52	9	-74	-27	-27
Credit	169	154	182	183	235
Debit	221	145	256	210	262
III. Change in Reserves Assets	-61	-111	21	-18	-305
Credit	0	0	24	1	0
Debit	61	111	3	18	305
Incl. Changes in Foreign Exchange Reserves	-55	-106	23	-18	-304
IV. Net Errors and Omissions	-31	-68	-83	-98	-98

(2)

Unit: 100 million US dollars

Items	Year				
	1995	1996	1997	1998	1999
I. Current Account Balance	16	72	370	315	211
Credit	1543	1814	2184	2177	2347
Debit	1526	1741	1815	1862	2135
A. Goods and Services Balance	120	176	428	438	306
Credit	1472	1717	2072	2074	2210
Debit	1353	1541	1644	1636	1903
a. Goods Balance	181	195	462	466	360
Credit	1281	1511	1827	1835	1947
Debit	1101	1315	1364	1369	1587
b. Services Balance	-61	-20	-34	-28	-53
Credit	191	206	246	239	262
Debit	252	226	280	267	316
B. Income Balance	-118	-124	-110	-166	-145
Credit	52	73	57	56	83
Debit	170	198	167	222	228
C. Current Transfers Balance	14	21	51	43	49
Credit	18	24	55	47	54
Debit	4	2	3	4	4
II. Capital and Financial Account Balance	387	400	210	-63	52
Credit	677	710	926	893	918
Debit	290	310	716	956	866
A. Capital Account Balance	0	0	0	0	0
Credit	0	0	0	0	0
Debit	0	0	0	0	0
B. Financial Account Balance	387	400	210	-63	52
Credit	677	710	926	893	918
Debit	290	310	716	956	865
1. Direct Investments Balance	338	381	417	411	370
Credit	377	424	454	456	410
Debit	39	43	38	45	40
2. Portfolio Investments Balance	8	17	69	-37	-112
Credit	18	34	92	19	18
Debit	10	16	23	56	130
3. Other Investments Balance	40	2	-276	-437	-205
Credit	282	253	380	418	489
Debit	241	251	655	854	695
III. Change in Reserves Assets	-225	-317	-357	-64	-85
Credit	0	0	0	1	13
Debit	225	317	357	65	98
Incl. Changes in Foreign Exchange Reserves	-220	-315	-349	-51	-97
IV. Net Errors and Omissions	-178	-155	-223	-187	-178

(3)

Unit: 100 million US dollars

Items \ Year	2000	2001	2002	2003	2004
I. Current Account Balance	205	174	354	431	689
Credit	2990	3179	3875	5196	7032
Debit	2785	3005	3521	4766	6342
A. Goods and Services Balance	289	281	374	358	512
Credit	2796	2994	3654	4850	6583
Debit	2507	2713	3280	4492	6071
a. Goods Balance	345	340	442	444	590
Credit	2491	2661	3257	4383	5934
Debit	2147	2321	2815	3939	5344
b. Services Balance	-56	-59	-68	-85	-78
Credit	304	333	397	468	649
Debit	360	393	465	553	727
B. Income Balance	-147	-192	-149	-102	-51
Credit	126	94	83	161	206
Debit	272	286	233	263	257
C. Current Transfers Balance	63	85	130	174	229
Credit	69	91	138	185	243
Debit	5	6	8	10	14
II. Capital and Financial Account Balance	19	348	323	549	1082
Credit	920	995	1283	2432	3984
Debit	901	648	960	1883	2903
A. Capital Account Balance	0	-1	0	0	-1
Credit	0	0	0	0	0
Debit	0	1	0	0	1
B. Financial Account Balance	20	348	323	549	1082
Credit	920	995	1283	2432	3984
Debit	900	647	960	1883	2902
1. Direct Investments Balance	375	374	468	494	601
Credit	421	471	531	579	681
Debit	46	97	63	85	80
2. Portfolio Investments Balance	-40	-194	-103	114	197
Credit	78	91	23	173	347
Debit	118	285	126	59	150
3. Other Investments Balance	-315	169	-41	-60	283
Credit	421	695	730	1680	2956
Debit	736	526	771	1739	2672
III. Change in Reserves Assets	-105	-473	-755	-1061	-1901
Credit	6	0	2	3	5
Debit	111	473	757	1064	1905
Incl. Changes in Foreign Exchange Reserves	-109	-466	-742	-1060	-1904
IV. Net Errors and Omissions	-119	-49	78	82	130

(4)

Unit: 100 million US dollars

Items	Year				
	2005	2006	2007	2008	2009
I. Current Account Balance	1324	2318	3532	4206	2433
Credit	9039	11478	14684	17462	14842
Debit	7715	9160	11152	13256	12409
A. Goods and Services Balance	1246	2089	3080	3488	2201
Credit	8369	10617	13423	15818	13333
Debit	7123	8528	10342	12330	11131
a. Goods Balance	1342	2177	3159	3606	2495
Credit	7625	9697	12201	14347	12038
Debit	6283	7519	9041	10741	9543
b. Services Balance	-96	-88	-79	-118	-294
Credit	744	920	1222	1471	1295
Debit	840	1008	1301	1589	1589
B. Income Balance	-161	-51	80	286	-85
Credit	393	546	835	1118	1083
Debit	554	597	754	832	1168
C. Current Transfers Balance	239	281	371	432	317
Credit	277	316	426	526	426
Debit	39	35	55	94	110
II. Capital and Financial Account Balance	953	493	942	401	1985
Credit	4851	7346	9936	9845	8634
Debit	3897	6853	8994	9444	6649
A. Capital Account Balance	41	40	31	31	39
Credit	42	41	33	33	42
Debit	1	1	2	3	3
B. Financial Account Balance	912	453	911	371	1945
Credit	4809	7305	9903	9812	8592
Debit	3897	6852	8992	9441	6647
1. Direct Investments Balance	904	1001	1391	1148	872
Credit	1112	1333	1694	1868	1671
Debit	208	331	303	720	799
2. Portfolio Investments Balance	-47	-684	164	349	271
Credit	261	497	771	872	1102
Debit	308	1181	606	524	831
3. Other Investments Balance	56	136	-644	-1126	803
Credit	3437	5475	7439	7072	5820
Debit	3381	5340	8083	8198	5017
III. Change in Reserves Assets	-2506	-2848	-4607	-4795	-4003
Credit	19	6	5	1	1
Debit	2526	2854	4612	4796	4005
Incl. Changes in Foreign Exchange Reserves	-2526	-2853	-4609	-4783	-3821
IV. Net Errors and Omissions	229	36	133	188	-414

(5)

Unit: 100 million US dollars

Items \ Year	2010	2011	2012	2013	2014
I. Current Account Balance	2378	1361	2154	1482	2197
Credit	19355	22897	24665	26621	27992
Debit	16977	21536	22511	25139	25795
A. Goods and Services Balance	2230	1819	2318	2354	2840
Credit	17436	20898	22483	24250	25451
Debit	15206	19079	20165	21896	22611
a. Goods Balance	2542	2435	3216	3599	4760
Credit	15814	19038	20569	22190	23541
Debit	13272	16603	17353	18591	18782
b. Services Balance	-312	-616	-897	-1245	-1920
Credit	1622	1860	1914	2060	1909
Debit	1933	2477	2812	3305	3829
B. Income Balance	-259	-703	-199	-784	-341
Credit	1424	1443	1670	1840	2130
Debit	1683	2146	1869	2624	2471
C. Current Transfers Balance	407	245	34	-87	-302
Credit	495	556	512	532	411
Debit	88	311	477	619	714
II. Capital and Financial Account Balance	2869	2655	-318	3461	382
Credit	11667	14495	13520	17528	25730
Debit	8798	11840	13838	14067	25347
A. Capital Account Balance	46	54	43	31	0
Credit	48	56	45	45	19
Debit	2	2	3	14	20
B. Financial Account Balance	2822	2600	-360	3430	383
Credit	11618	14439	13475	17483	25710
Debit	8796	11838	13835	14053	25328
1. Direct Investments Balance	1857	2317	1763	2180	2087
Credit	2730	3316	2956	3806	4352
Debit	872	999	1194	1626	2266
2. Portfolio Investments Balance	240	196	478	529	824
Credit	636	519	829	1058	1664
Debit	395	323	352	529	840
3. Other Investments Balance	724	87	-2601	722	-2528
Credit	8253	10603	9689	12619	19694
Debit	7528	10516	12290	11897	22222
III. Change in Reserves Assets	-4717	-3878	-966	-4314	-1178
Credit	0	10	136	13	312
Debit	4717	3888	1101	4327	1490
Incl. Changes in Foreign Exchange Reserves	-4696	-3848	-987	-4327	-1188
IV. Net Errors and Omissions	-529	-138	-871	-629	-1401

Notes: 1. This statement employs rounded-off numbers.

2. The SAFE has revised the data for 2013 based on the latest data.

Table S3 China's International Investment Position, 2004–2014

Unit: 100 million US dollars

Items	End of 2004	End of 2005	End of 2006	End of 2007	End of 2008
Net Position	2764	4077	6402	11881	14938
A. Assets	9291	12233	16905	24162	29567
1. Direct Investments Abroad	527	645	906	1160	1857
2. Portfolio Investments	920	1167	2652	2846	2525
2.1 Equity Securities	0	0	15	196	214
2.2 Debt Securities	920	1167	2637	2650	2311
3. Other Investments	1658	2164	2539	4683	5523
3.1 Trade Credits	432	661	922	1160	1102
3.2 Loans	590	719	670	888	1071
3.3 Currency and Deposits	553	675	736	1380	1529
3.4 Other Assets	83	109	210	1255	1821
4. Reserves Assets	6186	8257	10808	15473	19662
4.1 Monetary Gold	41	42	123	170	169
4.2 Special Drawing Rights	12	12	11	12	12
4.3 Reserves Position in the Fund	33	14	11	8	20
4.4 Foreign Exchange	6099	8189	10663	15282	19460
B. Liabilities	6527	8156	10503	12281	14629
1. Foreign Direct Investments	3690	4715	6144	7037	9155
2. Portfolio Investments	566	766	1207	1466	1677
2.1 Equity Securities	433	636	1065	1290	1505
2.2 Debt Securities	133	130	142	176	172
3. Other Investments	2271	2675	3152	3778	3796
3.1 Trade Credits	809	1063	1196	1487	1296
3.2 Loans	880	870	985	1033	1030
3.3 Currency and Deposits	381	484	595	791	918
3.4 Other Liabilities	200	257	377	467	552

Table S3 (concluded)

Items	End of 2009	End of 2010	End of 2011	End of 2012	End of 2013	End of 2014
Net Position	14905	16880	16884	18665	19960	17764
A. Assets	34369	41189	47345	52132	59861	64087
1. Direct Investments Abroad	2458	3172	4248	5319	6605	7443
2. Portfolio Investments	2428	2571	2044	2406	2585	2625
2.1 Equity Securities	546	630	864	1298	1530	1613
2.2 Debt Securities	1882	1941	1180	1108	1055	1012
3. Other Investments	4952	6304	8495	10527	11867	15026
3.1 Trade Credits	1444	2060	2769	3387	3990	4677
3.2 Loans	974	1174	2232	2778	3089	3747
3.3 Currency and Deposits	1310	2051	2942	3906	3751	5541
3.4 Other Assets	1224	1018	552	457	1038	1061
4. Reserves Assets	24532	29142	32558	33879	38804	38993
4.1 Monetary Gold	371	481	530	567	408	401
4.2 Special Drawing Rights	125	123	119	114	112	105
4.3 Reserves Position in the Fund	44	64	98	82	71	57
4.4 Foreign Exchange	23992	28473	31811	33116	38213	38430
B. Liabilities	19464	24308	30461	33467	39901	46323
1. Foreign Direct Investments	13148	15696	19069	20680	23312	26779
2. Portfolio Investments	1900	2239	2485	3361	3865	5143
2.1 Equity Securities	1748	2061	2114	2619	2977	3693
2.2 Debt Securities	152	178	371	742	889	1449
3. Other Investments	4416	6373	8907	9426	12724	14402
3.1 Trade Credits	1617	2112	2492	2915	3365	3344
3.2 Loans	1636	2389	3724	3680	5642	5720
3.3 Currency and Deposits	937	1650	2477	2446	3466	5030
3.4 Other Liabilities	227	222	214	384	252	308

Notes: 1. This statement employs rounded-off numbers.

2. Net position refers to assets minus liabilities, "+" refers to net assets, and "-" refers to net liabilities.

3. The SAFE has revised the data at the end of 2013 based on the latest data.

Table S4 China's Gross External Debt Position by Sector, End-2014

	End of 2014 (Unit: 100 million RMB)	End of 2014 (Unit: 100 million US Dollars)
General Government	3379	552
Short-term	0	0
Currency and Deposits	0	0
Debt Securities	0	0
Loans	0	0
Trade Credits and Prepayments	0	0
Other Debt Liabilities	0	0
Long-term	3379	552
SDR Allocation	0	0
Currency and Deposits	0	0
Debt Securities	18	3
Loans	3361	549
Trade Credits and Prepayments	0	0
Other Debt Liabilities	0	0
Central Bank	619	101
Short-term	0	0
Currency and Deposits	0	0
Debt Securities	0	0
Loans	0	0
Trade Credits and Prepayments	0	0
Other Debt Liabilities	0	0
Long-term	619	101
SDR Allocation	619	101
Currency and Deposits	0	0
Debt Securities	0	0
Loans	0	0
Trade Credits and Prepayments	0	0
Other Debt Liabilities	0	0
Other Depository Corporations	18470	3018
Short-term	14963	2445
Currency and Deposits	6663	1089
Debt Securities	0	0

Table S4 (concluded)

	End of 2014 (Unit: 100 million RMB)	End of 2014 (Unit: 100 million US Dollars)
Loans	8288	1354
Trade Credits and Prepayments	0	0
Other Debt Liabilities	12	2
Long-term	3507	573
Currency and Deposits	0	0
Debt Securities	650	106
Loans	2851	466
Trade Credits and Prepayments	0	0
Other Debt Liabilities	6	1
Other Departments	26741	4371
Short-term	21927	3584
Currency and Deposits	0	0
Debt Securities	0	0
Loans	1811	297
Trade Credits and Prepayments	20104	3285
Other Debt Liabilities	12	2
Long-term	4814	787
Currency and Deposits	0	0
Debt Securities	6	1
Loans	4438	725
Trade Credits and Prepayments	358	59
Other Debt Liabilities	12	2
Direct Investments: the Balance of Inter-company Loans	5584	913
Debt Liabilities of Direct Investment Enterprises to Direct Investors	4719	772
Debt Liabilities of Direct Investors to Direct Investment Enterprises	6	1
Debt Liabilities to Affiliated Enterprises	859	140
Gross External Debt Position	54793	8955

Notes: 1. Long-term and short-term external debts are classified according to contract periods in this table.
2. The data in this table has been rounded off.

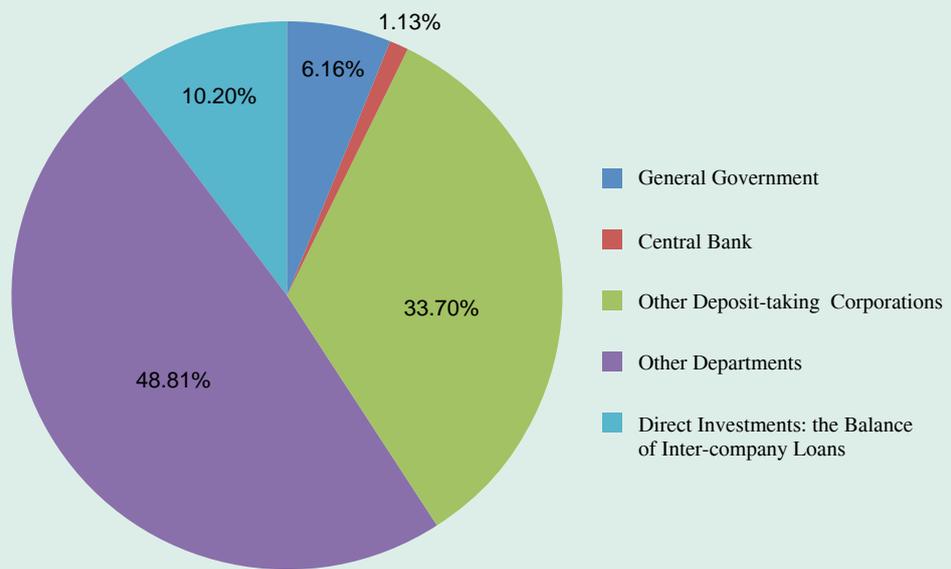


Figure S1 Components of the Registered External Debt by the Type of Debtors, End-2014

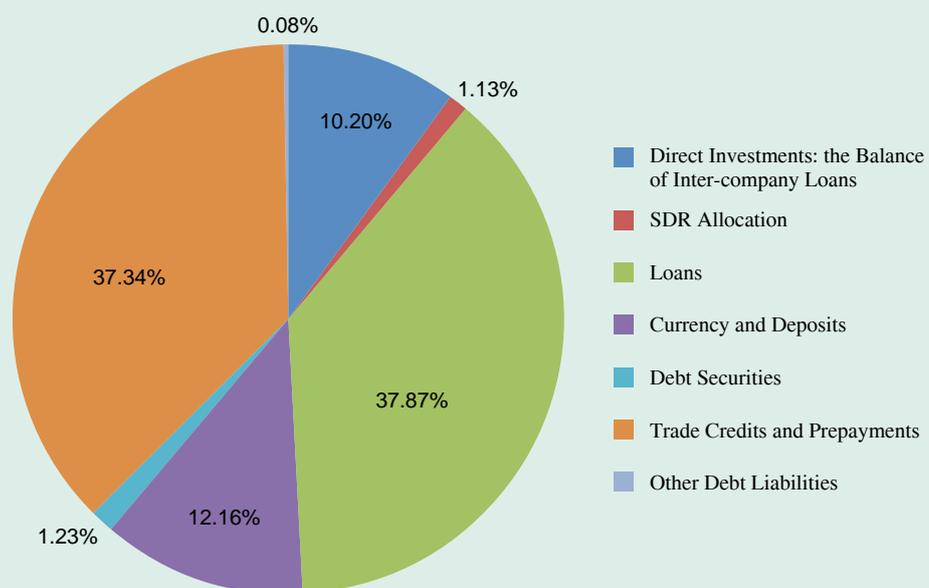


Figure S2 Components of the Registered External Debt by the Type of Debt, End-2014

Table S5 Structure and Growth of Long-term and Short-term External Debt, 1990–2014

Item	Year	1990	1991	1992	1993	1994	1995	1996	1997	1998
		Outstanding External Debt (in billion USD)	52.55	60.56	69.32	83.57	92.81	106.59	116.28	130.96
Long-term and Medium- term External Debt	Outstanding(in billion USD)	45.78	50.26	58.47	70.02	82.39	94.68	102.17	112.82	128.70
	Increase over Previous Year (%)	23.6	9.8	16.3	19.8	17.7	14.9	7.9	10.4	14.1
	Share of Total (%)	87.1	83.0	84.3	83.8	88.8	88.8	87.9	86.1	88.1
Short-term External Debt	Outstanding(in billion USD)	6.77	10.30	10.85	13.55	10.42	11.91	14.11	18.14	17.34
	Increase over Previous Year (%)	58.5	52.1	5.3	24.9	-23.1	14.3	18.5	28.6	-4.4
	Share of Total (%)	12.9	17.0	15.7	16.2	11.2	11.2	12.1	13.9	11.9
	Ratio to Foreign Exchange Reserves (%)	61.0	47.5	55.9	63.9	20.2	16.2	13.4	13.0	12.0



Table S5 (continued)

Item	Year								
	1999	2000	2001	2002	2003	2004	2005	2006	
Outstanding External Debt (in billion USD)	151.83	145.73	203.30	202.63	219.36	262.99	296.55	338.59	
Long-term and Medium- term External Debt	Outstanding(in billion USD)	136.65	132.65	119.53	115.55	116.59	124.29	124.90	139.36
	Increase over Previous Year (%)	6.2	-2.9	—	-3.3	0.9	6.6	0.5	11.6
	Share of Total (%)	90.0	91.0	58.8	57.0	53.2	47.3	42.1	41.2
Short-term External Debt	Outstanding(in billion USD)	15.18	13.08	83.77	87.08	102.77	138.71	171.64	199.23
	Increase over Previous Year (%)	-12.5	-13.8	—	4.0	18.0	35.0	23.7	16.1
	Share of Total (%)	10.0	9.0	41.2	43.0	46.8	52.7	57.9	58.8
	Ratio to Foreign Exchange Reserves (%)	9.8	7.9	39.5	30.4	25.5	22.7	21.0	18.7

Table S5 (concluded)

Item	Year	2007	2008	2009	2010	2011	2012	2013	2014
	Outstanding External Debt (in billion USD)		389.22	390.16	428.65	548.94	695.00	736.99	863.17
Long-term and Medium-term External Debt	Outstanding(in billion USD)	153.53	163.88	169.39	173.24	194.10	196.06	186.54	212.1
	Increase over Previous Year (%)	10.2	6.7	3.4	2.3	12.0	1.0	-4.9	13.7
	Share of Total (%)	39.4	42.0	39.5	31.6	27.9	26.6	21.6	23.7
Short-term External Debt	Outstanding(in billion USD)	235.68	226.28	259.26	375.70	500.90	540.93	676.63	683.36
	Increase over Previous Year (%)	18.3	-4.2	14.6	44.9	33.3	8.0	25.1	1
	Share of Total (%)	60.6	58.0	60.5	68.4	72.1	73.4	78.4	76.3
	Ratio to Foreign Exchange Reserves (%)	15.4	11.6	10.8	13.2	15.7	16.3	17.71	17.78

Notes: 1. Because China's external debt statistics were adjusted in 2001, the new coverage is not comparable to the original coverage; the item "Increase over Previous Year" was not calculated for 2001.

2. The sample survey method of trade credits was adjusted in 2009, and outstanding trade credit based on the new method at end-2009 was USD 161.7 billion. Accordingly, outstanding trade credit for 2001–2008 has been adjusted on the basis of comparable coverage.

3. At the end of 2014, the outstanding external debts includes the SDR allocation of USD 10.1 billion, and the short-term external debts and medium- and long-term external debts are classified according to the residual maturity terms.

Table S6 The External Debt, the National Economy, and Foreign Exchange Income, 1990–2014

Item \ Year	1990	1991	1992	1993	1994	1995	1996	1997	1998
Outstanding External Debt(in billion USD)	52.55	60.56	69.32	83.57	92.81	106.59	116.28	130.96	146.04
Increase over Previous Year (%)	27.2	15.2	14.5	20.6	11.1	14.8	9.1	12.6	11.5
GDP (in billion RMB)	1855	2162	2664	3533	4820	6079	7118	7897	8440
Increase over Previous Year (%)	3.8	9.2	14.2	14	13.1	10.9	10	9.3	7.8
Ratio of Outstanding External Debt to GDP (%)	13.6	14.9	14.4	13.6	16.6	14.6	13.6	13.7	14.3
Foreign Exchange Income (in billion USD)	57.4	65.9	78.8	86.6	118.9	147.2	171.7	207.2	207.4
Increase over Previous Year (%)	20.0	14.9	19.6	9.8	37.4	23.8	16.6	20.7	0.1
Ratio of Outstanding External Debt to Foreign Exchange Income (%)	91.6	91.9	87.9	96.5	78.0	72.4	67.7	63.2	70.4



Table S6 (continued)

Item	Year								
	1999	2000	2001	2002	2003	2004	2005	2006	
Outstanding External Debt(in billion USD)	151.83	145.73	203.30	202.63	219.36	262.99	296.55	338.59	
Increase over Previous Year (%)	4.0	-4.0	—	-0.3	8.3	19.9	12.8	14.2	
GDP (in billion RMB)	8968	9922	10966	12033	13582	15988	18494	21631	
Increase over Previous Year (%)	7.6	8.4	8.3	9.1	10.0	10.1	10.4	11.6	
Ratio of Outstanding External Debt to GDP (%)	14.0	12.2	15.3	13.9	13.4	13.6	13.1	12.5	
Foreign Exchange Income (in billion USD)	221.0	279.6	299.4	365.4	485.0	655.0	836.8	1061.7	
Increase over Previous Year (%)	6.5	26.5	7.1	22.0	32.7	35.1	27.8	26.9	
Ratio of Outstanding External Debt to Foreign Exchange Income (%)	68.7	52.1	67.9	55.5	45.2	40.2	35.4	31.9	

Table S6 (concluded)

Item	Year								
	2007	2008	2009	2010	2011	2012	2013	2014	
Outstanding External Debt(in billion USD)	389.22	390.16	428.65	548.94	695.00	736.99	863.17	895.46	
Increase over Previous Year (%)	15.0	0.2	9.9	28.1	26.6	6.0	17.12	3.75	
GDP (in billion RMB)	26581	31405	34090	40151	47310	51947	58802	63646	
Increase over Previous Year (%)	13.0	9.6	9.20	10.4	9.3	7.8	7.7	7.4	
Ratio of Outstanding External Debt to GDP (%)	11.1	8.6	8.6	9.3	9.5	9.0	9.1	8.64	
Foreign Exchange Income (in billion USD)	1342.1	1581.7	1332.9	1876.8	2086.6	2248.3	2425.0	2545.1	
Increase over Previous Year (%)	26.4	17.9	-15.7	40.8	11.2	7.7	7.9	4.95	
Ratio of Outstanding External Debt to Foreign Exchange Income (%)	29.0	24.7	32.2	29.2	33.3	32.8	35.6	35.2	

Notes: 1. The GNP data in previous issues of the *SAFE Annual Report* were adjusted to the GDP data in accordance with the 1998 *Digest of China's Statistics*. The central parity of the RMB against the USD is used when calculating the ratio of the outstanding external debt to GDP.

2. The item "Increase over Previous Year (%)" (GDP) is calculated on a fixed-price basis.

3. Beginning from 1998, foreign exchange income in this report refers to the credits under the items of goods and services in the BOP in the corresponding year. The data for the previous years are adjusted according to the same international standards, as are the ratios of the outstanding external debt to foreign exchange income.

4. Beginning from 2001, China adjusted its original external debt coverage in accordance with international standards (for specific adjustments, see the relevant notes to the "Brief Table on China's External Debt, End-2001"). As the external debt statistics were revised in 2001 and the new coverage is not comparable with the original coverage, the item "Increase over Previous Year" was not calculated for the year 2001.

5. GDP data for 1993–2004 were revised by the National Bureau of Statistics according to the results of the First National Economic Census.

6. The sample survey method of trade credits was adjusted in 2009, and the outstanding trade credits based on the new method at end-2009 was USD 161.7 billion. Accordingly, the outstanding trade credits for 2001–2008 have been adjusted on the basis of the comparable coverage.

7. The outstanding external debts in this table at the end of 2014 includes the SDR allocation (USD 10.1 billion).

Table S7 Flows of the External Debt, the National Economy, and Foreign Exchange Income, 1990–2014

Item	Year									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	
External Debt Inflows (in billion USD)	16.48	18.86	15.22	27.37	34.33	39.11	30.95	43.10	45.66	
Increase over Previous Year (%)	-5.5	14.4	-19.3	79.8	25.4	13.9	-20.9	39.3	5.9	
External Debt Outflows (in billion USD)	9.62	12.79	13.43	18.25	25.06	31.71	22.47	32.42	42.48	
Increase over Previous Year (%)	-43.5	33.0	5.0	35.9	37.3	26.5	-29.1	44.3	31.0	
Net External Debt Inflows (in billion USD)	6.86	6.07	1.79	9.12	9.27	7.40	8.48	10.68	3.18	
GDP (in billion RMB)	1855	2162	2664	3533	4820	6079	7118	7897	8440	
Ratio of External Debt Outflows to GDP (%)	2.5	3.1	2.8	3.0	4.5	4.4	2.6	3.4	4.2	
Foreign Exchange Income (in billion USD)	57.4	65.9	78.8	86.6	118.9	147.2	171.7	207.2	207.4	
Debt Service Ratio (%)	8.7	8.5	7.1	10.2	9.1	7.6	6.0	7.3	10.9	

Table S7 (continued)

Item	Year								
	1999	2000	2001	2002	2003	2004	2005	2006	
External Debt Inflows (in billion USD)	30.05	24.92	25.16	60.87	101.54	205.97	281.05	385.43	
Increase over Previous Year (%)	-34.2	-17.1	1.0	141.9	66.8	102.8	36.5	37.1	
External Debt Outflows (in billion USD)	36.45	35.01	31.28	69.67	98.13	190.24	271.59	365.15	
Increase over Previous Year (%)	-14.2	-4.0	-10.7	122.7	40.8	93.9	42.8	34.4	
Net External Debt Inflows (in billion USD)	-6.40	-10.09	-6.12	-8.80	3.41	15.73	9.46	20.28	
GDP (in billion RMB)	8968	9922	10966	12033	13582	15988	18494	21631	
Ratio of External Debt Outflows to GDP (%)	3.4	2.9	2.4	4.8	6.0	9.8	12.0	13.5	
Foreign Exchange Income (in billion USD)	221.0	279.6	299.4	365.4	485.0	655.0	836.8	1061.7	
Debt Service Ratio (%)	11.2	9.2	7.5	7.9	6.9	3.2	3.1	2.1	



Table S7 (concluded)

Item	Year								
	2007	2008	2009	2010	2011	2012	2013	2014	
External Debt Inflows (in billion USD)	500.20	575.90	387.52	679.25	773.31	648.12	1010.92	1373.2	
Increase over Previous Year (%)	29.8	15.1	-32.7	75.3	13.8	-16.2	55.98	35.84	
External Debt Outflows (in billion USD)	479.81	557.16	390.85	611.93	682.51	651.79	908.07	1348.18	
Increase over Previous Year (%)	31.4	16.1	-29.8	56.6	11.5	-4.5	34.32	48.47	
Net External Debt Inflows (in billion USD)	20.39	18.74	-3.33	67.32	90.80	-3.67	102.83	25.02	
GDP (in billion RMB)	26581	31405	34090	40151	47310	51947	58802	63646	
Ratio of External Debt Outflows to GDP (%)	13.7	12.3	7.8	10.3	9.3	7.9	9.56	13.01	
Foreign Exchange Income (in billion USD)	1342.2	1581.7	1332.9	1876.8	2086.6	2248.3	2425.0	2545.1	
Debt Service Ratio (%)	2.0	1.8	2.9	1.6	1.7	1.6	1.57	1.91	

Notes: 1. GNP data in previous issues of the *SAFE Annual Report* were adjusted to the GDP data in accordance with the 1998 *Digest of China's Statistics*. The central parity of the RMB against the USD is used when calculating the ratio of external debt outflows to GDP.

2. Beginning from 1998, the foreign exchange income in this report refers to the credits under the items of goods and services in the BOP in the corresponding years. The data for the previous years have been adjusted according to the same international standards, as have the debt service ratios.

3. External debt outflows include both the repayment of the principal and payment of the interest.

4. The debt service ratio refers to the repayment of the principal and payment of the interest on the long-term and medium-term external debt, plus the payment of interest on the short-term external debt divided by the foreign exchange income in the BOP in the corresponding years.

5. GDP data for 1993–2004 were revised by the National Bureau of Statistics according to the results of the First National Economic Census.

6. In 2013, the collection method for external debt data was adjusted from summary submission of the external debt data on the banks' trade financing to submission on a case-by-case basis.

Table S8 Annual and Monthly Averages of the Central Parity Rate of the RMB against the USD, January 1990–December 2014

Unit: RMB per 100 US dollars

Year	Month					
	Jan.	Feb.	Mar.	Apr.	May	Jun.
1990	472.21	472.21	472.21	472.21	472.21	472.21
1991	522.21	522.21	522.21	526.59	531.39	535.35
1992	544.81	546.35	547.34	549.65	550.36	547.51
1993	576.40	576.99	573.13	570.63	572.17	573.74
1994	870.00	870.28	870.23	869.55	866.49	865.72
1995	844.13	843.54	842.76	842.25	831.28	830.08
1996	831.86	831.32	832.89	833.15	832.88	832.26
1997	829.63	829.29	829.57	829.57	829.29	829.21
1998	827.91	827.91	827.92	827.92	827.90	827.97
1999	827.90	827.80	827.91	827.92	827.85	827.80
2000	827.93	827.79	827.86	827.93	827.77	827.72
2001	827.71	827.70	827.76	827.71	827.72	827.71
2002	827.67	827.66	827.70	827.72	827.69	827.70
2003	827.68	827.73	827.72	827.71	827.69	827.71
2004	827.69	827.71	827.71	827.69	827.71	827.67
2005	827.65	827.65	827.65	827.65	827.65	827.65
2006	806.68	804.93	803.50	801.56	801.52	800.67
2007	778.98	775.46	773.90	772.47	767.04	763.30
2008	724.78	721.09	716.26	712.01	709.06	705.83
2009	683.82	683.57	683.41	683.12	682.45	683.32
2010	682.73	682.70	682.64	682.62	682.74	681.65
2011	660.27	658.31	656.62	652.92	649.88	647.78
2012	631.68	630.00	630.81	629.66	630.62	631.78
2013	627.87	628.11	627.85	627.09	625.40	624.16
2014	610.43	611.28	613.58	615.53	616.36	615.57

Table S8 (concluded)

Month Year	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
1990	472.21	472.21	472.21	472.21	495.54	522.21	478.32
1991	535.55	537.35	537.35	537.90	538.58	541.31	532.33
1992	544.32	542.87	549.48	553.69	561.31	579.82	551.46
1993	576.12	577.64	578.70	578.68	579.47	580.68	576.20
1994	864.03	858.98	854.03	852.93	851.69	848.45	861.87
1995	830.07	830.75	831.88	831.55	831.35	831.56	835.10
1996	831.60	830.81	830.44	830.00	829.93	829.90	831.42
1997	829.11	828.94	828.72	828.38	828.11	827.96	828.98
1998	827.98	827.99	827.89	827.78	827.78	827.79	827.91
1999	827.77	827.73	827.74	827.74	827.82	827.93	827.83
2000	827.93	827.96	827.86	827.85	827.74	827.72	827.84
2001	827.69	827.70	827.68	827.68	827.69	827.68	827.70
2002	827.68	827.67	827.70	827.69	827.71	827.72	827.70
2003	827.73	827.70	827.71	827.67	827.69	827.70	827.70
2004	827.67	827.68	827.67	827.65	827.65	827.65	827.68
2005	822.90	810.19	809.22	808.89	808.40	807.59	819.17
2006	799.10	797.33	793.68	790.32	786.52	782.38	797.18
2007	758.05	757.53	752.58	750.12	742.33	736.76	760.40
2008	702.28	700.09	698.32	696.83	695.57	694.51	694.51
2009	683.20	683.22	682.89	682.75	682.74	682.79	683.10
2010	677.75	679.01	674.62	667.32	665.58	665.15	676.95
2011	646.14	640.90	638.33	635.66	634.08	632.81	645.88
2012	632.35	634.04	633.95	631.44	629.53	629.00	631.25
2013	622.99	622.17	621.49	620.79	620.11	619.32	619.32
2014	615.69	616.06	615.28	614.41	614.32	612.38	614.28

Table S9 Central Parity Rate of the RMB, 2014

For the MYR and RUB: foreign currency units/RMB100
 For the nine other currencies: RMB/100 foreign currency units

Month	Items Currency	Beginning of the Period	Ending of the Period	Highest	Lowest	Period Average	Cumulative Average
January	USD	609.90	610.50	611.09	609.30	610.43	610.43
	HKD	78.658	78.625	78.806	78.575	78.694	78.694
	JPY	5.7827	5.9625	5.9625	5.7827	5.8544	5.8544
	EUR	839.37	833.88	839.37	825.57	831.79	831.79
	GBP	1011.18	1010.87	1014.74	997.78	1005.34	1005.34
	AUD	542.12	531.38	549.81	529.49	540.03	540.03
	CAD	573.21	546.14	574.86	546.14	559.19	559.19
	MYR	53.976	55.037	55.077	53.602	54.340	54.340
	RUB	541.34	577.91	577.91	541.34	554.53	554.53
February	USD	610.89	612.14	612.24	610.53	611.28	610.79
	HKD	78.733	78.878	78.893	78.722	78.801	78.740
	JPY	5.9732	6.0022	6.0022	5.9358	5.9641	5.9019
	EUR	830.05	838.97	841.05	830.05	836.75	833.93
	GBP	997.06	1021.36	1023.13	997.06	1015.08	1009.55
	AUD	546.07	548.45	552.22	545.67	548.82	543.83
	CAD	551.94	549.97	557.74	549.83	553.18	556.59
	MYR	54.517	53.501	54.930	53.501	54.216	54.287
	RUB	571.89	588.13	588.13	568.08	579.44	565.30
March	USD	611.90	615.21	615.21	611.90	613.58	611.80
	HKD	78.836	79.305	79.305	78.836	79.054	78.854
	JPY	6.0391	5.9920	6.0562	5.9333	6.0057	5.9394
	EUR	843.05	846.07	854.63	841.01	848.26	839.12
	GBP	1023.83	1023.83	1026.00	1013.22	1019.76	1013.24
	AUD	544.55	569.65	571.78	544.55	556.80	548.53
	NZD	528.99	534.07	535.13	524.80	528.68	528.68
	CAD	553.15	556.83	557.63	546.31	552.30	555.04
	MYR	53.631	52.757	53.631	52.757	53.357	53.950
	RUB	587.12	576.87	596.20	573.59	587.10	573.19

Table S9 (continued)

Month	Items Currency	Beginning of the Period	Ending of the Period	Highest	Lowest	Period Average	Cumulative Average
April	USD	615.03	615.80	616.10	614.90	615.53	612.79
	HKD	79.285	79.425	79.457	79.272	79.378	78.993
	JPY	5.9761	6.0235	6.0749	5.9376	6.0202	5.9609
	EUR	847.11	850.33	854.38	844.65	850.01	842.02
	GBP	1024.70	1036.02	1036.62	1021.54	1030.80	1017.91
	AUD	571.79	573.07	581.21	569.04	574.68	555.48
	NZD	534.75	529.27	537.58	527.51	531.44	530.61
	CAD	556.51	562.22	565.56	556.51	559.67	556.27
	MYR	52.735	52.502	53.046	52.062	52.556	53.580
	RUB	566.14	571.58	583.58	565.95	574.51	573.54
May	USD	615.60	616.95	617.05	615.42	616.36	613.51
	HKD	79.404	79.578	79.587	79.389	79.505	79.097
	JPY	6.0495	6.0903	6.1008	6.0445	6.0726	5.9835
	EUR	853.74	839.21	857.56	839.10	846.37	842.90
	GBP	1038.89	1031.88	1044.98	1031.58	1038.26	1022.02
	AUD	573.10	576.03	578.80	570.02	574.76	559.38
	NZD	535.08	524.94	536.67	524.94	531.75	531.07
	CAD	560.86	569.30	569.30	560.86	566.07	558.25
	MYR	52.572	51.639	52.572	51.495	52.009	53.262
	RUB	574.71	556.85	574.71	542.12	559.40	570.68
June	USD	617.10	615.28	617.10	614.51	615.57	613.86
	HKD	79.588	79.375	79.593	79.274	79.410	79.149
	JPY	6.0450	6.0815	6.0815	6.0214	6.0467	5.9941
	EUR	839.41	839.46	841.86	832.27	836.87	841.88
	GBP	1033.70	1049.78	1050.42	1030.01	1041.61	1025.31
	AUD	571.70	580.64	581.04	571.70	577.74	562.46
	NZD	522.86	541.03	541.29	521.57	532.19	531.39
	CAD	566.20	576.86	576.86	562.15	568.23	559.93
	MYR	51.978	51.906	52.137	51.537	51.926	53.038
	RUB	561.84	544.10	570.72	542.61	553.87	567.86

Table S9 (continued)

Month	Items Currency	Beginning of the Period	Ending of the Period	Highest	Lowest	Period Average	Cumulative Average
July	USD	615.23	616.75	616.75	614.43	615.69	614.16
	HKD	79.381	79.581	79.581	79.281	79.440	79.196
	JPY	6.0778	6.0012	6.0922	6.0012	6.0652	6.0056
	EUR	842.34	826.23	842.34	826.23	834.25	840.65
	GBP	1053.91	1043.71	1059.04	1043.71	1053.45	1029.87
	AUD	580.17	575.33	587.99	575.33	579.40	565.21
	NZD	539.75	523.92	543.61	523.92	536.19	532.58
	CAD	576.38	565.49	579.51	565.49	573.98	562.20
	MYR	51.873	51.613	51.873	51.260	51.512	52.791
	RUB	549.04	576.28	577.84	548.46	560.37	566.65
August	USD	616.81	616.47	616.81	615.17	616.06	614.40
	HKD	79.588	79.543	79.588	79.366	79.487	79.234
	JPY	6.0026	5.9396	6.0393	5.9168	5.9850	6.0030
	EUR	825.88	812.60	827.95	811.20	820.62	838.07
	GBP	1042.03	1021.89	1042.03	1019.82	1029.63	1029.84
	AUD	574.13	575.88	576.52	569.50	573.19	566.23
	NZD	524.83	515.78	525.61	512.96	519.37	530.14
	CAD	565.47	567.76	567.78	560.72	563.87	562.42
	MYR	51.851	51.307	52.120	51.087	51.617	52.639
	RUB	579.09	597.45	597.45	579.09	585.66	569.09
September	USD	616.80	615.25	617.07	614.25	615.28	614.50
	HKD	79.584	79.246	79.619	79.246	79.371	79.249
	JPY	5.9157	5.6242	5.9157	5.6242	5.7381	5.9727
	EUR	809.58	780.49	810.75	780.49	794.66	833.11
	GBP	1022.51	998.77	1023.58	991.74	1004.25	1026.92
	AUD	574.99	535.61	576.16	535.61	557.20	565.20
	NZD	515.11	476.93	516.41	476.93	501.73	525.72
	CAD	567.09	550.98	567.57	550.98	559.31	562.06
	MYR	51.181	52.983	53.188	51.181	52.287	52.599
	RUB	601.98	641.01	641.01	599.45	617.33	574.60

Table S9 (continued)

Month	Items Currency	Beginning of the Period	Ending of the Period	Highest	Lowest	Period Average	Cumulative Average
October	USD	614.93	614.61	614.93	613.95	614.41	614.49
	HKD	79.297	79.252	79.297	79.150	79.209	79.246
	JPY	5.6840	5.6162	5.7912	5.6162	5.7079	5.9491
	EUR	778.12	773.77	787.49	773.66	779.92	828.37
	GBP	988.67	982.02	993.14	976.05	986.86	1023.35
	AUD	541.70	541.60	543.64	533.62	539.06	562.87
	NZD	480.67	480.68	489.42	478.45	483.87	520.80
	SGD	481.84	480.57	482.25	480.40	481.27	481.27
	CAD	550.82	548.86	553.50	542.77	547.46	560.76
	MYR	53.043	53.655	53.655	52.915	53.268	52.659
	RUB	650.10	678.51	703.77	650.10	670.42	583.14
November	USD	615.25	613.45	616.02	613.20	614.32	614.48
	HKD	79.331	79.126	79.454	79.080	79.223	79.244
	JPY	5.4474	5.1937	5.4474	5.1937	5.2882	5.8896
	EUR	766.96	764.08	770.66	760.39	765.99	822.75
	GBP	979.98	964.11	982.72	958.28	969.20	1018.47
	AUD	536.35	522.48	537.51	522.48	531.04	560.01
	NZD	476.95	481.79	487.45	472.83	480.58	516.15
	SGD	477.26	471.58	477.26	471.19	474.01	475.22
	CAD	544.71	540.39	546.98	539.12	542.27	559.10
	MYR	53.821	54.797	54.797	53.821	54.495	52.824
	RUB	702.07	792.05	792.05	702.07	750.37	598.20
December	USD	613.69	611.90	614.11	611.37	612.38	614.28
	HKD	79.139	78.887	79.206	78.844	78.967	79.218
	JPY	5.1938	5.1371	5.2455	5.0545	5.1436	5.8196
	EUR	763.35	745.56	766.12	745.56	756.21	816.51
	GBP	958.07	954.37	965.35	952.50	959.23	1012.91
	AUD	518.71	501.74	520.67	497.67	505.96	554.93
	NZD	478.58	480.34	482.78	468.77	476.06	511.45
	SGD	469.13	463.96	471.65	463.71	466.46	470.93
	CAD	535.74	527.55	541.41	524.85	530.77	556.44

Table S9 (concluded)

Month	Items Currency	Beginning of the Period	Ending of the Period	Highest	Lowest	Period Average	Cumulative Average
December	MYR	55.604	56.737	56.878	55.604	56.486	53.168
	RUB	820.30	905.36	1134.33	820.30	911.39	627.60
Entire Year	USD	609.90	611.90	617.10	609.30	614.28	614.28
	HKD	78.658	78.887	79.619	78.575	79.218	79.218
	JPY	5.7827	5.1371	6.1008	5.0545	5.8196	5.8196
	EUR	839.37	745.56	857.56	745.56	816.51	816.51
	GBP	1011.18	954.37	1059.04	952.50	1012.91	1012.91
	AUD	542.12	501.74	587.99	497.67	554.93	554.93
	NZD	528.99	480.34	543.61	468.77	511.45	511.45
	SGD	481.84	463.96	482.25	463.71	470.93	470.93
	CAD	573.21	527.55	579.51	524.85	556.44	556.44
	MYR	53.976	56.737	56.878	51.087	53.168	53.168
	RUB	541.34	905.36	1134.33	541.34	627.60	627.60



Table S10 Foreign Exchange Reserves, 1990–2014

Unit: 100 million US dollars

Year	Foreign Exchange Reserves	Increase
1990	111	55
1991	217	106
1992	194	-23
1993	212	18
1994	516	304
1995	736	220
1996	1050	315
1997	1399	348
1998	1450	51
1999	1547	97
2000	1656	109
2001	2122	466
2002	2864	742
2003	4033	1168
2004	6099	2067
2005	8189	2090
2006	10663	2475
2007	15282	4619
2008	19460	4178
2009	23992	4531
2010	28473	4482
2011	31811	3338
2012	33116	1305
2013	38213	5097
2014	38430	117

Table S11 Monthly Foreign Exchange Reserves, 2014

Unit: 100 million US dollars

Month	Foreign Exchange Reserves	Month	Foreign Exchange Reserves
Jan.	38666	Jul.	39663
Feb.	39137	Aug.	39668
May.	39481	Sept.	38877
Apr.	39787	Oct.	38529
May	39839	Nov.	38473
Jun.	39932	Dec.	38430



Table S12 Qualified Foreign Institutional Investors (QFIIs) with Investment Quotas Granted by the SAFE

As of December 31, 2014

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
1	UBS	790
2	Nomura Securities Co., Ltd.	350
3	Citigroup Global Markets, Ltd.	550
4	Morgan Stanley & Co. International, Ltd.	600
5	Goldman, Sachs & Co., Ltd.	300
6	HongKong and Shanghai Banking Corporation, Ltd.	600
7	Deutsche Bank Aktiengesellschaft	600
8	ING Bank N. V.	210
9	JP Morgan Chase Bank, National Association	600
10	Credit Suisse (Hong Kong), Ltd.	600
11	Nikko Asset Management Co., Ltd.	450
12	Standard Chartered Bank (Hong Kong), Ltd.	175
13	Hangseng Bank	150
14	Daiwa Securities Capital Markets Co., Ltd.	50
15	Merrill Lynch International	800
16	Lehman Brothers International Europe	200
17	Bill & Melinda Gates Foundation	400
18	Royal Bank of Scotland	175
19	Société Générale	450
20	Barclays Bank PLC	900
21	BNP Paribas	350
22	Commerzbank AG	625
23	BNP Paribas Investment (Asia)Co.,Ltd.	600
24	Power Corporation of Canada	50
25	Calyon S.A.	75
26	INVESCO Asset Management, Ltd.	176
27	Government of Singapore Investment Corporation Pte Ltd.	1500

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
28	Goldman Sachs Asset Management International	600
29	Martin Currie Investment Management Ltd.	226
30	Temasek Fullerton Alpha Investments Pte Ltd.	1500
31	PineBridge Investment LLC	300
32	The Dai-ichi Life Insurance Company, Ltd.	250
33	DBS Bank Ltd.	200
34	JF Asset Management, Ltd.	525
35	KBC Financial Products UK, Ltd.	20
36	Bank of Nova Scotia	150
37	La Compagnie Financiere Edmond de Rothschild Banque	200
38	Yale University	150
39	AMP Capital Investor, Ltd.	500
40	Morgan Stanley Investment Management Inc.	450
41	Eastspring Investments (Hong Kong) Limited	350
42	Stanford University	80
43	United Overseas Bank, Ltd.	50
44	Schroder Investment Management, Ltd.	425
45	GE Asset Management Incorporated	300
46	UBS Global Asset Management (Singapore) Ltd.	750
47	Mizuho Securities Co., Ltd.	50
48	HSBC Global Asset Management (Hong Kong), Ltd.	412
49	Sumitomo Mitsui Asset Management Company, Ltd.	304
50	Norges Bank	1500
51	Pictet Asset Management, Ltd.	150
52	Columbia University	90
53	Prudential Asset Management Co., Ltd.	0
54	Robeco Institutional Asset Management B.V.	197
55	KBC Asset Management N.V.	210
56	Mirae Asset Investment Management Co., Ltd.	350

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
57	Platinum Investment Company, Ltd.	300
58	State Street Global Advisors Asia, Ltd.	50
59	Caisse de dépôt et placement du Québec	500
60	Samsung Asset Management Co., Ltd.	550
61	Overseas-Chinese Banking Corporation, Ltd.	150
62	Alliance Bernstein Ltd.	150
63	ACE INA International Holdings, Ltd.	150
64	Harvard University	200
65	T. Rowe Price International, Inc.	110
66	Daiwa Asset Management Co., Ltd.	200
67	ABU Dhabi Investment Authority	1500
68	Allianz Global Investors Luxembourg S.A.	200
69	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	100
70	Capital International, Inc.	100
71	Credit Suisse AG	300
72	Ashmore EMM, L.L.C.	25
73	First State Investment Management (UK) Limited	220
74	Hanwha Investment Trust Management Co., Ltd.	238
75	UOB Asset Management, Ltd.	50
76	Bank Negara Malaysia	1500
77	DWS Investment S.A.	200
78	Lloyd George Management (Hong Kong), Ltd.	50
79	Korea Development Bank	140
80	Templeton Investment Counsel, LLC	300
81	Shell Asset Management Company B.V.	0
82	BEA Union Investment Management, Ltd.	100
83	Woori Bank Co., Ltd.	50
84	Korea Investment Trust Management Co., Ltd.	300
85	Sumitomo Trust & Banking Co., Ltd.	50

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
86	Baring Asset Management, Ltd.	200
87	Ashmore Investment Management, Ltd.	350
88	Nomura Asset Management Co., Ltd.	350
89	Manulife Asset Management (Hong Kong), Ltd.	300
90	Tongyang Asset Management Corp.	70
91	Royal Bank of Canada	100
92	DIAM Co., Ltd.	100
93	Ivy Investment Management Company	100
94	OFI Asset Management	150
95	Aberdeen Asset Management Asia, Ltd.	255
96	BNY Mellon Asset Management International Ltd.	150
97	FIL Investment Management (Hong Kong), Ltd.	400
98	Legg Mason Investments (Europe), Ltd.	200
99	KB Asset Management Co., Ltd.	200
100	Hong Kong Monetary Authority	2500
101	Fubon Securities Investment Trust Co., Ltd.	450
102	Capital Investment Trust Corp.	150
103	Aviva Investors Global Services, Ltd.	100
104	Bank Julius Baer & Co., Ltd.	150
105	KTB Asset Management Co., Ltd.	100
106	Lyxor Asset Management	100
107	Polaris International Securities Investment Trust Co., Ltd.	400
108	Assicurazioni Generali S.p.A.	100
109	Banco Bilbao Vizcaya Argentaria, S.A.	100
110	Cathay Securities Investment Trust Co., Ltd.	450
111	Fuh Hwa Securities Investment Trust Co., Ltd.	200
112	BMO Investments Inc.	100
113	Comgest S.A.	100
114	Amundi Hong Kong, Ltd.	100

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
115	Grantham, Mayo, Van Otterloo & Co. LLC	100
116	Monetary Authority of Singapore	100
117	Shin Kong Life Insurance Co., Ltd.	300
118	Shinko Asset Management Co., Ltd.	100
119	China Life Insurance Co., Ltd. (Taiwan)	550
120	Princeton University	210
121	Canada Pension Plan Investment Board	1200
122	Bank of Thailand	300
123	Kuwait Investment Authority	1500
124	Taiwan Life Insurance Co., Ltd.	400
125	Bank of Korea	600
126	Ontario Teachers' Pension Plan Board	300
127	Korea Investment Corporation	400
128	Shinhan BNP Paribas Asset Management Co., Ltd.	150
129	Stichting Pensioenfonds voor Huisartsen	60
130	National Pension Service (Republic of Korea)	400
131	HI Asset Management Co., Ltd.	100
132	Hospital Authority Provident Fund Scheme	100
133	Cathay Life Insurance Co., Ltd.	500
134	Neuberger Berman Europe, Ltd.	175
135	Khazanah Nasional Berhad	250
136	Russell Investments Ireland, Ltd.	200
137	Prudential Financial Securities Investment Trust Enterprise	120
138	TransGlobe Life Insurance Inc.	150
139	Sumitomo Mitsui Banking Corporation	100
140	Fubon Life Insurance Co., Ltd.	500
141	Black Rock Institutional Trust Company, N.A.	250
142	Northern Trust Global Investments, Ltd.	100
143	Mercuries Life Insurance Co., Ltd.	50

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
144	American International Assurance Company, Ltd.	150
145	Capital Research and Management Company	100
146	City of London Investment Management Company, Ltd.	200
147	Okasan Asset Management Co., Ltd.	50
148	Van Eck Associates Corporation	100
149	William Blair & Company, L.L.C.	200
150	Principal Global Investors LLC	150
151	BOCI-Prudential Asset Management, Ltd.	150
152	ING Investment Management Asia Pacific (Hong Kong), Ltd.	150
153	Earnest Partners LLC	150
154	Prescient Investment Management PTY, Ltd.	150
155	Mizuho Asset Management Co., Ltd.	100
156	Board of Regents of the University of Texas System	150
157	Nan Shan Life Insurance Company, Ltd.	400
158	Metzler Asset Management GmbH	200
159	Fullerton Fund Management Company, Ltd.	250
160	Janus Capital Management LLC	100
161	Swiss National Accident Insurance Fund	300
162	Ontario Pension Board	150
163	Macquarie Bank, Ltd.	400
164	Hai Tong Asset Management (HK) Ltd.	300
165	Qatar Holding LLC	1000
166	BOC Group Life Assurance Company, Ltd.	200
167	Value Partners Hong Kong, Ltd.	200
168	The Church Pension Fund	50
169	Duke University	100
170	EFG Bank AG	100
171	Genesis Asset Management Limited	400
172	Singapore CDH Investment Advisory Co., Ltd.	350

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
173	JP Morgan Securities Investment Trust Co., Ltd.	150
174	Hillhouse Capital Management Ltd.	600
175	APS Asset Management Pte. Ltd.	300
176	Public Mutual Berhad	60
177	Uni-President Assets Management Corporation	150
178	Hansberger Global Investors (HK) Limited	100
179	Hana Daetoo Securities Co., Ltd.	200
180	British Columbia Investment Management Corporation	300
181	OrbiMed Advisors, L.L.C.	100
182	Black Rock Asset Management North Asia Limited	600
183	Harvest Fund Management Co., Ltd.	300
184	E Fund Management (HK) Co., Ltd.	300
185	China Asset Management (Hong Kong), Ltd.	200
186	CITIC Securities International Investment Management (HK) Ltd.	300
187	Lion Capital Management Ltd.	50
188	Generali Fund Management Co., Ltd.	100
189	IDG Capital Management (HK) Ltd.	60
190	Cutwater Investor Services Corporation	100
191	SinoPac Securities Investment Trust Co., Ltd.	100
192	First Securities Investment Trust Co., Ltd.	50
193	CSOP Asset Management, Ltd.	200
194	CMS Asset Management (HK) Ltd.	100
195	New Silk Road Investment Pte. Ltd.	50
196	Guotai Junan Assets (Asia) Limited	200
197	Taikang Asset Management (Hong Kong) Ltd.	300
198	EJS Investment Management Ltd.	50
199	Dongbu Asset Management Co.,Ltd.	120
200	Eurizon Asset Management Ltd.	100
201	AZ Fund Management Co., Ltd.	100

Table S12 (continued)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
202	Henderson Global Investors	50
203	AEGON USA Investment Management, LLC	100
204	UBS Global Asset Management (Hong Kong) Ltd.	100
205	Andra AP-fonden	200
206	HSBC China Securities Investment Trust Co., Ltd.	200
207	ICBC (Asia) Investment Management Company Limited	100
208	China Everbright Asset Management Co., Ltd.	400
209	China International Capital Corporation Hong Kong Asset Management Limited	300
210	Bosera Asset Management (International) Co., Ltd.	100
211	Hall Capital Partners LLC	215
212	University of Notre Dame du Lac	50
213	Greenwoods Asset Management Hong Kong Limited	300
214	Asia Capital Reinsurance Group Pte. Ltd.	100
215	Keywise Capital Management (HK) Limited	100
216	CTBC Life Insurance Co., Ltd.	100
217	Flowering Tree Investment Management Pte. Ltd.	80
218	Newport Asia LLC	100
219	Alta Advisers Limited	100
220	East Capital AB	100
221	Pacific Investment Strategies Limited	100
222	Fubon Insurance Co., Ltd.	50
223	Mayo Clinic	75
224	Taishin Securities Investment Trust Co.,Ltd.	50
225	Government Pension Fund (Thailand)	100
226	CSAM Asset Management Pte. Ltd.	100
227	Skandinaviska Enskilda Banken AB (publ)	100
228	Cathay United Bank Co., Ltd.	100
229	Inveatec Asset Management Co., Ltd.	100
230	SeaTown Holdings International Pte. Ltd.	100

Table S12 (concluded)

No.	Qualified Foreign Institutional Investor	Investment Quota (Unit: million US dollars)
231	Franklin Huamei Securities Investment Trust Co., Ltd.	100
232	PIMCO Asia Pte. Ltd.	100
233	Singapore Technologies Asset Management Co., Ltd.	50
234	China Life Franklin Asset Management Co., Ltd.	100
235	UBS Hana Asset Management Co., Ltd.	100
236	The Bank of Lithuania	100
237	CTBC Bank Co., Ltd.	50
238	Mega International Investment Trust Co.,Ltd.	100
239	Huanan Investment Trust Co.,Ltd.	50
240	Monetary Authority of Macao	500
241	European Reinsurance Company of Zurich Ltd.	100
242	University of Washington	50
243	Greystone Managed Investments Inc.	100
244	Cascade Investment, LLC	200
245	Hyundai Securities Co., Ltd.	100
246	NTUC Income Insurance Co-operative Ltd.	100
247	Matthews International Capital Management, LLC	100
248	Nordea Investment Management Co., Ltd.	100
249	Haifutong Investment Management (HK) Limited	100
250	Openheimer Funds Co., Ltd.	200
251	Gaoguan Investment Co., Ltd.	100
252	Taishin International Bank Co., Ltd.	100
253	Washington Securities Investment Trust Co., Ltd.	100
254	Guangfa International Investment Management Limited	100
255	Guosen Security (HK) Asset Management Co., Ltd.	200
256	The Bloomberg Family Foundation Inc.	75
257	Citi Fund Management Co., Ltd.	200
258	AXA Fund Management Co., Ltd.	100
259	Goldman Sachs International	300
260	MIT	200
261	Shixi Group	50

Table S13 Qualified Domestic Institutional Investors (QDIIs), Including Banking, Insurance, and Securities Institutions, with Investment Quotas Granted by the SAFE

As of December 31, 2014

No.	QDII	Type of Institution	Investment Quota (Unit: million US dollars)
1	Bank of China, Ltd.	Commercial Bank	300
2	Industrial and Commercial Bank Of China, Ltd.	Commercial Bank	300
3	Bank of East Asia (China), Ltd.	Commercial Bank	200
4	Bank of Communications Co., Ltd.	Commercial Bank	500
5	China Construction Bank Corporation	Commercial Bank	500
6	HSBC Bank (China) Company, Ltd.	Commercial Bank	3200
7	China Merchants Bank Co., Ltd.	Commercial Bank	200
8	China Citic Bank	Commercial Bank	100
9	Hang Seng Bank (China) Company, Ltd.	Commercial Bank	30
10	Citibank (China) Co., Ltd.	Commercial Bank	3400
11	Industrial Bank	Commercial Bank	100
12	Standard Chartered Bank (China), Ltd.	Commercial Bank	1500
13	Minsheng Bank	Commercial Bank	100
14	China Everbright Bank	Commercial Bank	100
15	Bank of Beijing	Commercial Bank	50
16	Bank of China (Hong Kong), Ltd.	Commercial Bank	30
17	Credit Suisse Shanghai Branch	Commercial Bank	30
18	Agricultural Bank of China	Commercial Bank	200
19	Nanyang Commercial Bank (China) Co., Ltd.	Commercial Bank	30
20	Deutsche Bank (China) Co., Ltd.	Commercial Bank	30
21	Shanghai Pudong Development Bank	Commercial Bank	30
22	Bank of Shanghai	Commercial Bank	30
23	DBS Bank (China), Ltd.	Commercial Bank	800
24	BNP Paribas (China), Ltd.	Commercial Bank	100
25	Société Générale (China), Ltd.	Commercial Bank	100
26	OCBC Bank (China), Ltd.	Commercial Bank	100

Table S13 (continued)

No.	QDII	Type of Institution	Investment Quota (Unit: million US dollars)
27	Australia and New Zealand Bank (China) Co., Ltd.	Commercial Bank	400
28	United Overseas Bank (China), Ltd.	Commercial Bank	300
29	UBS (China), Ltd.	Commercial Bank	30
30	Ping An Bank Co., Ltd.	Commercial Bank	200
31	Hua An Fund Management Co., Ltd.	Fund Management Company	700
32	China Southern Fund Management Co., Ltd.	Fund Management Company	3300
33	China Asset Management Co., Ltd.	Fund Management Company	4400
34	Harvest Fund Management Co., Ltd.	Fund Management Company	3500
35	China International Fund Management Co., Ltd.	Fund Management Company	3500
36	ICBC Credit Suisse Asset Management Co., Ltd.	Fund Management Company	300
37	Fortune SG Fund Management Co., Ltd.	Fund Management Company	250
38	China International Capital Co., Ltd.	Securities Company	2200
39	HFT Investment Management Co., Ltd.	Fund Management Company	700
40	Yinhua Fund Management Co., Ltd.	Fund Management Company	300
41	China Merchants Securities Co., Ltd.	Securities Company	400
42	Bank of Communications Schroder Fund Management Co., Ltd.	Fund Management Company	100
43	E Fund Management Co., Ltd.	Fund Management Company	900
44	China Merchants Fund Management Co., Ltd.	Fund Management Company	500
45	Bosera Funds	Fund Management Company	600
46	China Universal Asset Management Co., Ltd.	Fund Management Company	400
47	GF Fund Management Co., Ltd.	Fund Management Company	300
48	Penghua Fund Management Co., Ltd.	Fund Management Company	300
49	Changsheng Fund Management Co., Ltd.	Fund Management Company	300
50	Guotai Asset Management Co., Ltd.	Fund Management Company	200
51	UBS SDIC Fund Management Co., Ltd.	Fund Management Company	900
52	CCB Principal Asset Management Co., Ltd.	Fund Management Company	100
53	CITIC-Prudential Fund Management Company Ltd.	Fund Management Company	100

Table S13 (continued)

No.	QDII	Type of Institution	Investment Quota (Unit: million US dollars)
54	Lion Fund Management Co., Ltd.	Fund Management Company	300
55	Everbright Pramerica Fund Management Co., Ltd.	Fund Management Company	550
56	Fullgoal Fund Management Co., Ltd.	Fund Management Company	200
57	Dacheng Fund Management Co., Ltd.	Fund Management Company	350
58	Bank of China Investment Management Co., Ltd.	Fund Management Company	700
59	Manulife Teda Fund Management Co., Ltd.	Fund Management Company	100
60	HuaTai Securities Co., Ltd.	Securities Company	100
61	Shanghai Guotai Junan Security Assets Management Co., Ltd.	Securities Company	450
62	Chang Xin Asset Management Corporation, Ltd.	Fund Management Company	450
63	Huatai-Pine Bridge Fund Management Co., Ltd.	Fund Management Company	100
64	Everbright Securities Asset Management Co., Ltd.	Securities Company	100
65	Invesco Great Wall Fund Management Company, Ltd.	Fund Management Company	100
66	Franklin Templeton Sealand Fund Management Co., Ltd.	Fund Management Company	100
67	Shanghai Orient Securities Asset Management Company, Ltd.	Securities Company	100
68	Guosen Securities Co., Ltd.	Securities Company	1500
69	RongTong Fund Management Co., Ltd.	Fund Management Company	400
70	GF Securities Co., Ltd.	Securities Company	700
71	CITIC Securities Co., Ltd.	Securities Company	400
72	Essence Securities Company, Ltd.	Securities Company	500
73	Shenyin & Wanguo Securities Co., Ltd.	Securities Company	100
74	BOC International (China), Ltd.	Securities Company	300
75	China Galaxy Securities Co., Ltd.	Securities Company	400
76	Taikang Asset Management (HK) Company Limited	Securities Company	800
77	Hai Tong Securities Asset Management (Shanghai) Co., Ltd.	Securities Company	500
78	Pacific Security Co., Ltd.	Securities Company	200
79	Ping An Insurance (Group) Co., Ltd.	Insurance Company	9390
80	China Life Insurance (Group) Company	Insurance Company	100

Table S13 (continued)

No.	QDII	Type of Institution	Investment Quota (Unit: million US dollars)
81	PICC Property and Casualty Co., Ltd.	Insurance Company	800
82	China Life Insurance Co., Ltd.	Insurance Company	3050
83	Taikang Life Insurance Co., Ltd.	Insurance Company	1885
84	Generali China Life Insurance Co., Ltd.	Insurance Company	415
85	PICC Group	Insurance Company	715
86	Sino Life Insurance Co., Ltd.	Insurance Company	4409
87	China Reinsurance (Group) Co., Ltd.	Insurance Company	500
88	China Pacific Insurance (Group) Co., Ltd.	Insurance Company	237
89	China Pacific Life Insurance Co., Ltd.	Insurance Company	150
90	PICC Health Insurance Co., Ltd.	Insurance Company	15
91	PICC Life Insurance Co., Ltd.	Insurance Company	34
92	AnBang Insurance Group Co., Ltd.	Insurance Company	710
93	Taiping Life Insurance Co., Ltd.	Insurance Company	120
94	Sinosafe General Insurance Co., Ltd.	Insurance Company	20
95	Huatai Insurance Co., Ltd.	Insurance Company	30
96	Huatai Asset Management Co., Ltd.	Insurance Company	30
97	American International Assurance Company, Ltd.	Insurance Company	168
98	Bohai Property Insurance Co., Ltd.	Insurance Company	5
99	AXA-Minmetals Assurance Co., Ltd.	Insurance Company	8
100	Dubon Property & Casualty Insurance Co., Ltd.	Insurance Company	25
101	Taiping General Insurance Co., Ltd.	Insurance Company	79
102	Minan Property and Casualty Insurance Company Limited	Insurance Company	25
103	China Property & Casualty Reinsurance Company, Ltd.	Insurance Company	192
104	China Export & Credit Insurance Corporation	Insurance Company	1000
105	New China Life Insurance Company, Ltd.	Insurance Company	700
106	Alltrust Property Insurance Company, Ltd.	Insurance Company	30
107	Tian An Property Insurance Co., Ltd.	Insurance Company	300

Table S13 (concluded)

No.	QDII	Type of Institution	Investment Quota (Unit: million US dollars)
108	Sunshine Life Insurance Corporation Limited	Insurance Company	1700
109	China Life Reinsurance Company, Ltd.	Insurance Company	1000
110	Pramerica Fosun Life Insurance Co., Ltd.	Insurance Company	11
111	Taiping Reinsurance Co., Ltd., Beijing Branch	Insurance Company	50
112	Huaxia Life Insurance Co., Ltd.	Insurance Company	200
113	Union Life Insurance Co., Ltd.	Insurance Company	200
114	Anbang Insurance Co., Ltd.	Insurance Company	600
115	China Life Asset Management Co., Ltd.	Insurance Company	130
116	China Post Insurance Co., Ltd.	Insurance Company	200
117	China Credit Trust Co., Ltd.	Trust Company	1600
118	Shanghai International Trust Co., Ltd.	Trust Company	950
119	Zhonghai Trust Co., Ltd.	Trust Company	100
120	Ping An Trust Co., Ltd.	Trust Company	100
121	Dalian Huaxin Trust Co., Ltd.	Trust Company	100
122	Hwabao Trust Co., Ltd.	Trust Company	1900
123	CITIC Trust Co., Ltd.	Trust Company	950
124	New China Trust Co., Ltd.	Trust Company	450
125	China Foreign Economy and Trade Trust Co., Ltd.	Trust Company	500
126	CCB Trust Co., Ltd.	Trust Company	400
127	Zhongrong International Trust Co., Ltd.	Trust Company	300



Table S14 RMB Qualified Foreign Institutional Investors (RQFIIs) with Investment Quotas Granted by the SAFE

As of December 31, 2014

No.	Name of RQFII	Investment Quota (in million yuan)
1	CSOP Asset Management, Ltd.	46100
2	Harvest Global Investments, Ltd.	14740
3	China Asset Management (Hong Kong), Ltd.	21800
4	Da Cheng International Asset Management Company, Ltd.	3700
5	China Universal Asset Management (Hong Kong) Company, Ltd.	3100
6	Bosera Asset Management (International) Co., Ltd.	9600
7	HFT Investment Management (HK), Ltd.	4400
8	HuaAn Asset Management (Hong Kong), Ltd.	3900
9	E Fund Management (HK) Co., Ltd.	27200
10	ICBC Credit Suisse Asset Management (International) Company, Ltd.	2800
11	CIFM Asset Management (Hong Kong) Co., Ltd.	800
12	GF International Investment Management, Ltd.	3900
13	UBS SDIC Asset Management (Hong Kong) Ltd.	2800
14	Fullgoal Asset Management (Hong Kong) Ltd.	3800
15	Lion Fund (Hong Kong) Ltd.	1000
16	ICBC (Asia) Investment Management Company Limited	2300
17	Shenyin Wanguo (H.K.), Ltd.	3900
18	Essence International Financial Holdings, Ltd.	2400
19	China International Capital (HK) Corporation, Ltd.	1700
20	Guosen Securities (HK) Financial Holdings Company, Ltd.	1700
21	Everbright Securities Financial Holding, Company, Ltd.	3500
22	Huatai Financial Holdings (Hong Kong), Ltd.	2950
23	Guotai Junan Financial Holdings, Ltd.	6900
24	Haitong International Holdings, Ltd.	10700
25	GF Holdings (Hong Kong), Ltd.	2700
26	China Merchants Securities International Co., Ltd.	2700

Table S14 (continued)

No.	Name of RQFII	Investment Quota (in million yuan)
27	CITIC Securities International Company, Ltd.	1400
28	Guoyuan Securities (HK) Co., Ltd.	7300
29	China Investment Securities (Hong Kong) Financial Holdings Limited	1100
30	Changjiang Securities Holdings (HK) Limited	200
31	Guangdong Securities Limited	1000
32	CCB International Asset Management Limited	4300
33	Taikang Asset Management (Hong Kong) Ltd.	7400
34	China Life Franklin Asset Management Co., Ltd.	6500
35	ABCI Asset Management Limited	5300
36	Hang Seng Investment Management Limited	1000
37	Cinda International Asset Management Limited	800
38	Industrial Securities (HK) Financial Holdings Limited	1300
39	China Ping An Asset Management (Hong Kong) Ltd.	1300
40	BOCHK Asset Management Limited	800
41	China Ping An Asset Management (Hong Kong) Ltd.	1000
42	HSBC Global Asset Management (Hong Kong), Ltd.	800
43	Harvest Investment Management (Hong Kong) Ltd.	800
44	Bank of Communications International Asset Management Limited	800
45	Value Partners Hong Kong, Ltd.	1300
46	South China Asset Management (Hong Kong) Ltd.	800
47	China Orient Asset Management International Limited	2500
48	Bank of East Asia Ltd.	1000
49	Oriental Financial Holdings (Hong Kong) Ltd.	500
50	PineBridge Investments Hong Kong Limited	800
51	SinoPac Asset Management (Asia) Limited	1000
52	Mirae Asset Global Investments (Hong Kong) Ltd.	1300
53	China Securities (International) Finance Holding Company Limited	2000

Table S14 (continued)

No.	Name of RQFII	Investment Quota (in million yuan)
54	China Everbright Asset Management Co., Ltd.	1900
55	Shanghai International Shanghai Growth Investment Limited	800
56	JF Asset Management Co., Ltd.	1000
57	Chong Hong Bank Limited	1300
58	Ashmore Investment Management, Ltd.	3000
59	China Galaxy International Financial Holdings Limited	1100
60	UBS Global Asset Management (Hong Kong) Ltd.	1000
61	Greenwoods Asset Management Hong Kong Limited	2000
62	Fortune SG Asset Management (HK) Co., Ltd.	1000
63	Runhui Investment Management (HK)Co., Ltd.	1300
64	BlackRock Asset Management North Asia Limited	2000
65	Schroder Investment Management, Ltd.	1000
66	Macquarie Fund Management (HK) Co., Ltd.	1500
67	Fullerton Fund Management Company, Ltd.	1200
68	Nikko Asset Management Asia Co., Ltd.	1000
69	CMS Asset Management (HK) Co., Ltd.	1000
70	Yuexiu Asset Management Co., Ltd.	1000
71	Pureheart Capital Asia Co., Ltd.	450
72	Yiya Investment Management Limited	300
73	BOCOM Schroders Asset Management Co., Ltd.	1000
74	State Street Global Advisors Asia, Ltd.	1000
75	New China Asset Management (HK) Co., Ltd.	1000
76	Qilu International Holding Limited	800
77	Phillip Capital Management (HK) Ltd.	100
78	Black Rock Advisors (UK) Limited	2100
79	Eastspring Investments (UK) Limited	3000
80	APS Asset Management Pte. Ltd.	1500
81	New Silk Road Investment Pte. Ltd.	1500

Table S14 (concluded)

No.	Name of RQFII	Investment Quota (in million yuan)
82	Alliance Bernstein (HK) Ltd.	500
83	Galaxy Asset Management Co., Ltd.	500
84	Guotai Junan Fund Management Co., Ltd.	400
85	MasterLink Securities (HK) Co., Ltd.	160
86	Gottex Penjing Asset Management (HK) Limited	500
87	Aberdeen Asset Management Asia, Ltd.	600
88	DBS Bank Ltd.	3000
89	Investec Asset Management Co., Ltd.	1500
90	Carmignac Gestion Asset Management Co., Ltd.	3000
91	BNP Paribas Asset Management	3000
92	Lian Asset Management Co., Ltd.	1000
93	Shinhan BNP Paribas Asset Management Co., Ltd.	3000
94	Cederberg Capital UK LLP	300
95	Pictet Asset Management, Ltd.	1000



Table S15 List of Banks Engaging in Derivative Businesses for Clients
(I) List of Banks Engaging in Derivative Businesses (Forwards and Swaps) for Clients

As of December 31, 2014

No.	Name of Bank	No.	Name of Bank
1	Industrial and Commercial Bank of China Limited	2	Agriculture Bank of China Limited
3	Bank of China, Ltd.	4	China Construction Bank Corporation
5	Bank of Communications Co., Ltd.	6	China Citic Bank
7	China Merchants Bank Co., Ltd.	8	China Everbright Bank
9	HuaXia Bank Co., Ltd.	10	China Guangfa Bank Co., Ltd.
11	Ping An Bank Co., Ltd.	12	Industrial Bank Co., Ltd.
13	China Minsheng Banking Corp., Ltd.	14	China Zheshang Bank Co., Ltd.
15	China Bohai Bank Co., Ltd.	16	Export-Import Bank of China
17	China Development Bank	18	Bank of Beijing Co., Ltd.
19	Postal Savings Bank of China	20	Bank of Shanghai Co., Ltd.
21	Bank of Nanjing	22	Bank of Hangzhou
23	Bank of Ningbo Co., Ltd.	24	Bank of East Asia (China), Ltd.
25	Nanyang Commercial Bank (China) Co., Ltd.	26	Woori Bank China, Ltd.
27	CITIC Bank International (China), Ltd.	28	First Sino Bank
29	Xiamen International Bank	30	BNP Paribas (China), Ltd.
31	Shanghai Pudong Development Bank	32	DBS Bank (China), Ltd.
33	Bank of America, Shanghai, Beijing and Guangzhou Branch	34	HSBC Bank (China) Company, Ltd.
35	Bank of Montreal (China) Co., Ltd.	36	Citibank (China) Co., Ltd.
37	Standard Chartered Bank (China), Ltd.	38	Royal Bank of Scotland (China) Co., Ltd.
39	Morgan Chase Bank (China) Company, Ltd.	40	Société Générale (China), Ltd.
41	Credit Agricole Indosuez (China) Co., Ltd.	42	Sumitomo Mitsui Banking Corporation (China), Ltd.
43	Credit Suisse Shanghai Branch	44	Australia and New Zealand Bank (China) Co., Ltd.
45	Commerzbank, Shanghai Branch and Beijing Branch	46	KBC Bank N.V., Shanghai, Shenzhen, Nanjing Branch
47	Intesa Sanpaolo S.p.A., Shanghai Branch	48	Hang Seng Bank (China), Ltd.

Table S15 (continued)

No.	Name of Bank	No.	Name of Bank
49	Rabobank, Shanghai Branch	50	ING Bank N. V., Shanghai Branch
51	United Overseas Bank (China), Ltd.	52	Platium Natexis Banques Populaires, Shanghai Branch
53	Deutsche Bank (China) Co., Ltd.	54	West DeutscheLandes Bank Ltd., Shanghai Branch
55	Chiyu Banking Corporation Ltd., Fuzhou, Xiamen Branch	56	Bank of Nova Scotia, Shanghai Branch and Guangzhou Branch
57	Wing Hang Bank (China), Ltd.	58	Mizuho Corporation Bank (China), Ltd.
59	OCBC Bank (China), Ltd.	60	UBS AG, Beijing Branch
61	Svenska Handelsbanken AB (publ), Shanghai Branch	62	DnB NOR Bank ASA, Shanghai Branch
63	Bank of Tokyo-Mitsubishi UFJ (China), Ltd.	64	Norddeutsche Landesbank Girozentrale, Shanghai Branch
65	Skandinaviska Enskilda Banken AB (publ), Shanghai Branch	66	Barclays Bank PLC, Shanghai Branch
67	Swedbank, Shanghai Branch	68	Nordea Bank AB Shanghai Branch
69	State Bank of India, Shanghai Branch	70	Sumitomo Mitsui Trust Bank, Ltd., Shanghai Branch
71	Bangkok Bank (China) Company, Ltd.	72	Shinhan Bank (China) Co., Ltd.
73	Huishang Bank	74	Bank of Jiangsu
75	Bank of Harbin	76	Malaysia Maybank Limited Shanghai Branch
77	Shanghai Rural Commercial Bank	78	Xiamen Bank Co., Ltd.
79	Chinese Mercantile Bank	80	Industrial Bank of Korea
81	Westpac Bank Corporation Shanghai Branch	82	Banco Santander of Spain Shanghai Branch
83	Bank of Xi'an		



(II) List of Banks Engaging in Derivative Businesses (Options) for Clients

As of December 31, 2014

No.	Name of Bank	No.	Name of Bank
1	Bank of China, Ltd.	2	Industrial and Commercial Bank of China Limited
3	China Citic Bank	4	Bank of Communications Co., Ltd.
5	Citibank (China) Co., Ltd.	6	HSBC Bank (China) Company, Ltd.
7	Deutsche Bank (China) Co., Ltd.	8	Agriculture Bank of China Limited
9	China Construction Bank Corporation	10	Industrial Bank Co., Ltd.
11	Bank of Montreal (China) Co., Ltd.	12	Standard Chartered Bank (China), Ltd.
13	China Development Bank	14	Bank of Tokyo-Mitsubishi UFJ (China), Ltd.
15	Credit Agricole Indosuez (China) Co., Ltd.	16	Sumitomo Mitsui Banking Corporation (China), Ltd.
17	Shanghai Pudong Development Bank	18	China Everbright Bank
19	China Guangfa Bank Co., Ltd.	20	Bank of Ningbo Co., Ltd.
21	BNP Paribas (China), Ltd.	22	Mizuho Corporation Bank (China), Ltd.
23	Royal Bank of Scotland (China) Co., Ltd.	24	China Merchants Bank Co., Ltd.
25	DBS Bank (China), Ltd.	26	Ping An Bank Co., Ltd.
27	China Minsheng Bank	28	Morgan Chase Bank (China) Company, Ltd.
29	Bank of America, Shanghai Branch	30	Barclays Bank PLC, Shanghai Branch
31	Australia and New Zealand Bank (China) Co., Ltd.	32	Credit Suisse Shanghai Branch
33	Société Générale (China), Ltd.	34	Bank of Shanghai Co., Ltd.
35	China Zheshang Bank	36	United Overseas Bank (China), Ltd.
37	OCBC Bank (China), Ltd.	38	First Sino Bank
39	Malaysia Maybank Limited Shanghai Branch		



Table S16 Banks as Market-Makers in the Trading of RMB–Forex on the Interbank Forex Market

As of December 31, 2014

Name of Bank	Spot Market-Maker	Forward-Swap Market-Maker	Spot Trial Market-Maker	Forward-Swap Trial Market Maker
Bank of China	√	√		
Agricultural Bank of China	√	√		
Industrial and Commercial Bank of China	√	√		
China Construction Bank	√	√		
Bank of Communications	√	√		
China Citic Bank	√	√		
China Development Bank	√	√		
Shanghai Pudong Development Bank	√	√		
China Everbright Bank	√	√		
Huaxia Bank	√	√		
Industrial Bank	√	√		
Citibank (China) Co., Ltd.	√	√		
Standard Chartered Bank (China), Ltd.	√	√		
HSBC Bank (China) Company, Ltd.	√	√		
Deutsche Bank (China) Co., Ltd.	√	√		
Sumitomo Mitsui Banking Corporation (China), Ltd.	√	√		
Bank of Tokyo-Mitsubishi UFJ (China), Ltd.	√	√		
Royal Bank of Scotland (China) Co., Ltd.	√	√		
China Merchants Bank	√	√		
China Minsheng Bank	√	√		
Credit Agricole Indosuez (China) Co., Ltd.	√			√
Guangdong Development Bank	√	√		
Ping An Bank	√	√		
Bank of Ningbo	√	√		
Bank of Montreal (China) Co., Ltd.	√			√
BNP Paribas (China), Ltd.	√			√
Mizuho Corporation Bank (China), Ltd.	√	√		
DBS Bank (China), Ltd.	√	√		
Bank of America Shanghai Branch	√	√		
Morgan Chase Bank (China) Company, Ltd.	√	√		
Postal Savings Bank of China	√			
Bank of Beijing			√	
Bank of Shanghai			√	
Bank of Nanjing			√	

Table S17 List of Insurance Institutions Operating Foreign Exchange Businesses

As of December 31, 2014

No.	Name of Company	License No.	Period	Business Scope
1	Huatai Insurance Group	IC2012001	2012.02.01-2015.01.31	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
2	Aviva-COFCO Life Insurance Co., Ltd.	IC2012002	2012.03.16-2015.03.15	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
3	Dubon Property & Casualty Insurance Co., Ltd.	IC2012003	2012.04.23-2015.04.22	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
4	Allianz China Life Insurance Co., Ltd.	IC2012004	2012.04.20-2015.04.19	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
5	Sun Life Everbright Life Insurance Co., Ltd.	IC2012005	2012.04.15-2015.04.14	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
6	Bohai Property Insurance Co., Ltd.	IC2012007	2012.04.17-2015.04.16	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
7	DingHe Property Insurance Co., Ltd.	IC2012008	2012.04.07-2015.04.06	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
8	NIPPONKOA Insurance Company (China), Ltd.	IC2012009	2012.05.31-2015.05.30	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
9	Zhongxin Grand Oriental Person's Life Insurance Co., Ltd.	IC2012010	2012.05.11-2015.05.10	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
10	Allianz China General Insurance Company Ltd.	IC2012011	2012.06.06-2015.06.05	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
11	GuoYuan Agriculture Insurance Co., Ltd.	IC2012012	2012.06.05-2015.06.04	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
12	Yingda Taihe Property Insurance Co., Ltd.	IC2012013	2012.06.11-2015.06.10	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
13	Union Life Insurance Co., Ltd.	IC2012014	2012.06.17-2015.06.16	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
14	Sunlight Agricultural Mutual Insurance Company	IC2012015	2012.08.07-2015.08.06	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
15	AnHua Agricultural Insurance Company Ltd.	IC2012016	2012.07.11-2015.07.10	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
16	Founder Meiji Yasuda Life Insurance Co., Ltd.	IC2012017	2012.07.17-2015.07.16	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
17	Sinosafe General Insurance Co., Ltd.	IC2012018	2012.07.19-2015.07.18	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
18	Champion Property & Casualty Insurance Co., Ltd.	IC2012019	2012.08.06-2015.08.05	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
19	Groupama-AVIC Property Insurance Co., Ltd.	IC2012021	2012.08.21-2015.08.20	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
20	Chang An Property and Liability Insurance Ltd.	IC2012023	2012.08.13-2015.08.12	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
21	ICBC – AXA Life Insurance Co., Ltd.	IC2012024	2012.09.10-2015.09.09	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
22	China Life Insurance Co., Ltd.	IC2012025	2012.10.23-2015.10.22	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
23	Shin Kong – HNA Life Insurance Company Ltd.	IC2012028	2012.08.07-2015.08.06	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
24	China Life Insurance (Group) Company	IC2012029	2012.10.19-2015.10.18	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
25	Changjiang Property & Casualty Insurance Co., Ltd.	IC2012030	2012.10.30-2015.10.29	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
26	PICC Property and Casualty Company Ltd.	IC2012031	2012.12.08-2015.12.07	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
27	Taiping Reinsurance Co., Ltd., Beijing Branch	IC2012032	2012.11.17-2015.11.16	Foreign Exchange Reinsurance and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
28	China Huanong Property & Casualty Insurance Co., Ltd.	IC2012033	2012.11.13-2015.11.12	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
29	Anbang Insurance Co., Ltd.	IC2012034	2012.12.12-2015.12.11	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
30	Taiping General Insurance Co., Ltd.	IC2012035	2013.01.15-2016.01.14	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
31	Taikang Life Insurance Co., Ltd.	IC2012036	2012.10.22-2015.10.21	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
32	Sunshine Life Insurance Corporation Limited	IC2013002	2012.10.19-2015.10.18	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
33	ZKING Property & Casualty Insurance Co., Ltd.	IC2013003	2012.12.28-2015.12.27	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
34	China Continent Property & Casualty Insurance Company	IC2013004	2013.03.25-2016.03.24	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
35	China Property & Casualty Reinsurance Company, Ltd.	IC2013005	2012.12.31-2015.12.30	Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
36	Munich Reinsurance Company, Beijing Branch	IC2013009	2013.02.22-2016.02.21	Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
37	BoComm Life Insurance Company, Ltd.	IC2013010	2013.03.25-2016.03.24	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
38	LIG Insurance (China) Co., Ltd.	IC2013011	2013.01.26-2016.01.25	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
39	China Pacific Insurance (Group) Co., Ltd.	IC2013012	2013.02.16-2016.02.15	Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchanges Business Approved by the Foreign Exchange Authority
40	China Life Reinsurance Company, Ltd.	IC2013013	2013.03.23-2016.03.22	Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
41	Tian An Property Insurance Co., Ltd.	IC2013014	2013.03.13-2016.03.12	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
42	Hyundai Insurance (China) Company, Ltd.	IC2013015	2013.03.24-2016.03.23	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
43	Manulife-Sinochem Life Insurance Co., Ltd.	IC2013016	2013.03.15-2016.03.14	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
44	PICC	IC2013017	2013.03.22-2016.03.21	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
45	Dazhong Insurance Co., Ltd. of China	IC2013018	2013.02.25-2016.02.24	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
46	AnBang Insurance Group Co., Ltd.	IC2013019	2013.02.21-2016.02.20	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
47	Generali China Life Insurance Co., Ltd.	IC2013020	2013.03.13-2016.03.12	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
48	China Life Property & Casualty Insurance Co., Ltd.	IC2013021	2013.05.08-2016.05.07	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
49	CITIC-Prudential Life Insurance Company, Ltd.	IC2013022	2013.04.13-2016.04.12	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
50	Cinda Property and Casualty Insurance Co., Ltd.	IC2013023	2013.04.27-2016.04.26	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
51	Beibu Gulf Property & Casualty Insurance Company	IC2013024	2013.05.03-2016.05.02	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
52	Ancheng Property & Casualty Insurance Co., Ltd.	IC2013025	2013.06.29-2016.06.28	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
53	China United Property Insurance Company, Ltd.	IC2013026	2013.05.21-2016.05.20	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
54	Samsung Property & Casualty Insurance Company (China), Ltd.	IC2013027	2013.08.16-2016.08.15	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
55	Heng An Standard Life Insurance Company Limited	IC2013028	2013.06.13-2016.06.12	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
56	Urtrust Automobile Insurance Co., Ltd.	IC2013029	2013.06.21-2016.06.20	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
57	Liberty Insurance Co., Ltd.	IC2013030	2013.08.10-2016.08.09	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
58	AIA Beijing Branch	IC2013031	2013.07.05-2016.07.04	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
59	Zurich Property Insurance (China) Co., Ltd.	IC2013033	2013.08.01-2016.07.31	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
60	AIA Jiangsu Branch	IC2013034	2013.07.31-2016.07.30	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
61	AIA Guangdong Branch	IC2013035	2013.07.31-2016.07.30	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
62	AIA Shanghai Branch	IC2013036	2013.07.31-2016.07.30	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
63	AIA Shenzhen Branch	IC2013037	2013.07.31-2016.07.30	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
64	China Pacific Life Insurance Co., Ltd.	IC2013038	2013.09.07-2016.09.06	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
65	PICC Life Insurance Co., Ltd.	IC2013039	2013.10.16-2016.10.15	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
66	Huaxia Life Insurance Company Limited	IC2013040	2013.08.21-2016.08.20	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
67	Sino Life Insurance Co., Ltd.	IC2013041	2013.08.22-2016.08.21	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
68	Mitsui Sumitomo Insurance (China) Company, Limited	IC2013042	2013.10.15-2016.10.14	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
69	Generali China Insurance Co., Ltd.	IC2013043	2013.10.17-2016.10.16	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
70	General Reinsurance AG, Shanghai Branch	IC2013044	2013.10.15-2016.10.14	Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
71	Chartis Insurance Company, Ltd.	IC2013045	2013.09.24-2016.09.23	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
72	Guo Hua Life Insurance Co., Ltd.	IC2013046	2013.09.18-2016.09.17	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
73	China Pacific Property Insurance Co., Ltd.	IC2013047	2013.08.10-2016.08.09	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
74	Pramerica Fosun Life Insurance Co., Ltd.	IC2013048	2013.09.27-2016.09.26	Foreign Exchange Personal Insurance and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
75	YongAn Property Insurance Company, Ltd.	IC2013049	2013.09.28-2016.09.27	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
76	Huatai Life Insurance Company, Ltd.	IC2013050	2013.10.19-2016.10.18	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
77	AEGON-CNOOC Life Insurance Co., Ltd.	IC2013051	2013.12.03-2016.12.02	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
78	Ping An Life Insurance Company of China, Ltd.	IC2013052	2013.12.17-2016.12.16	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds Approved, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
79	Ping An Property & Casualty Insurance Company of China, Ltd.	IC2013053	2013.12.17-2016.12.16	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
80	Ping An Insurance (Group) Company of China, Ltd.	IC2013054	2013.12.17-2016.12.16	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
81	Taiping Life Insurance Co., Ltd.	IC2013056	2013.04.02-2016.04.01	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
82	Fubon Property & Casualty Insurance Co., Ltd.	IC2014001	2014.02.14-2017.02.13	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
83	China Export & Credit Insurance Corporation	IC2014002	2014.01.16-2017.01.15	Foreign Exchange Property Insurance (Including Medium and Long-term Export Credit Insurance, Overseas Investment Insurance, and Short-term Export Credit Insurance), Foreign Exchange Reinsurance of the Above Insurance, Foreign Exchange Guarantees under the Above Foreign Exchange Insurance, Domestic Interbank Foreign Exchange Borrowing, Trade in Foreign Currency Bonds Approved, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
84	Ping An Health Insurance Company of China, Ltd.	IC2014003	2014.02.03-2017.02.02	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
85	ING-BOB Life Insurance Co., Ltd.	IC2014004	2014.02.20-2017.02.19	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
86	Tianan Life Insurance Co., Ltd.	IC2014005	2014.02.25-2017.02.24	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
87	China Post Life Insurance Co., Ltd.	IC2014006	2014.03.05-2017.03.04	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Trade in Foreign Currency Bonds Approved, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
88	Zheshang Property and Casualty Insurance Company, Ltd.	IC2014007	2014.03.25-2017.03.24	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
89	Chubb Insurance (China) Co., Ltd.	IC2014008	2014.04.08-2017.04.07	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
90	China Coal Insurance Co., Ltd.	IC2014009	2014.03.30-2017.03.29	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
91	SCOR S.E., Beijing Branch	IC2014010	2014.05.19-2017.05.18	Foreign Exchange Reinsurance and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
92	Lian Life Insurance Co., Ltd.	IC2014011	2014.05.05-2017.05.04	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
93	Lloyd's Insurance Company (China), Ltd.	IC2014012	2014.06.03-2017.06.02	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
94	Sompo Japan Insurance (China) Co., Ltd.	IC2014013	2014.07.07-2017.07.06	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business
95	Aioi Nissay Dowa Insurance (China) Company Limited	IC2014014	2014.05.16-2017.05.15	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
96	China Reinsurance (Group) Corporation	IC2014015	2014.05.09-2017.05.08	Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, Domestic Interbank Foreign Exchange Borrowing, Trade in Foreign Currency Bonds Approved, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
97	Taishan Property & Casualty Insurance Co., Ltd.	IC2014016	2014.06.24-2017.06.23	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
98	Bank of China Insurance Company, Ltd.	IC2014017	2014.06.27-2017.06.26	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
99	Minan Property and Casualty Insurance Co., Ltd.	IC2014018	2014.05.18-2017.05.17	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
100	Cathay Life Insurance Company, Ltd.	IC2014019	2014.08.25-2017.08.24	Foreign Exchange Personal Insurance, Domestic Interbank Foreign Exchange Borrowing, Trade in Foreign Currency Bonds Approved
101	Alltrust Property Insurance Company, Ltd.	IC2014020	2014.06.13-2017.06.12	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
102	AXA Tianping Property & Casualty Insurance Co., Ltd.	IC2014021	2014.02.11-2017.02.10	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
103	Sino-U.S. United MetLife Insurance Company, Ltd.	IC2014022	2014.06.24-2017.06.23	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
104	XL Insurance (China) Company, Ltd.	IC2014023	2014.05.03-2017.05.02	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
105	Foresea Life Insurance Company, Ltd.	IC2014024	2014.07.25-2017.07.24	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
106	Sun Alliance Insurance (China), Ltd.	IC2014025	2014.08.16-2017.08.15	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
107	Hannover Rueckversicherung AG, Shanghai Branch	IC2014026	2014.07.21-2017.07.20	Foreign Exchange Reinsurance and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
108	Huatai Property Insurance Company, Ltd.	IC2014027	2014.09.05-2017.09.04	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
109	JinTai Property & Casualty Insurance Co., Ltd.	IC2014028	2014.07.12-2017.07.11	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (continued)

No.	Name of Company	License No.	Period	Business Scope
110	The Tokio Marine & Nichido Fire Insurance Company (China), Ltd.	IC2014029	2014.09.21-2017.09.20	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
111	CIGNA and CMC Life Insurance Company, Ltd.	IC2014030	2014.09.22-2017.09.21	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
112	CNPC Captive Insurance Co., Ltd.	IC2014031	2014.08.29-2017.08.28	Foreign Exchange Property Insurance, Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
113	Swiss Re-insurance Company, Beijing Branch	IC2014032	2014.10.10-2017.10.09	Foreign Exchange Reinsurance, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
114	AnXin Agricultural Insurance Co., Ltd.	IC2014033	2014.09.15-2017.09.14	Foreign Exchange Reinsurance and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
115	CCB Life	IC2014034	2014.10.10-2017.10.09	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
116	Sunshine Property & Casualty Insurance Company	IC2014035	2014.11.16-2017.11.15	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority

Table S17 (concluded)

No.	Name of Company	License No.	Period	Business Scope
117	CATHAY Insurance	IC2014036	2014.11.07-2017.11.06	Foreign Exchange Property Insurance, Foreign Exchange Personal Insurance , Foreign Exchange Reinsurance, Foreign Exchange Maritime Guarantees, Domestic Interbank Foreign Exchange Borrowing, Credit Standing Investigation and Consulting Business, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority
118	New China Life Insurance Company, Ltd.	IC2014037	2014.10.11-2017.10.10	Foreign Exchange Personal Insurance, Foreign Exchange Reinsurance, Credit Standing Investigation and Consulting Business, Domestic Interbank Foreign Exchange Borrowing, Domestic Trade in Foreign Currency Bonds, and Other Foreign Exchange Business Approved by the Foreign Exchange Authority



Major Events in China's Foreign Exchange Administration in 2014

● January

January 9–10

The SAFE convened the National Foreign Exchange Administration Work conference to convey the spirit of the 18th CPC National Congress, the 2nd and 3rd Plenary Sessions of the 18th CPC Central Committee, and the Central Economic Work Conference, summed up foreign exchange administration work in 2013 in an all-round way, deeply analyzed the current status of the economy, finance, and the balance of payments, and made plans for foreign exchange administration in 2014.

January 10

The SAFE issued *Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies under the Capital Account* (Huifa No. 2 [2014]) to further deepen the reform of foreign exchange administration under the capital account, advance the streamlining of administration and delegating power to lower levels, and promote the facilitation of trade and investment.

January 17

The SAFE convened an extended meeting of the central team of the Party Leadership Group on Theoretical Study to deliver and study the gist of the 3rd Plenary Session of the 18th Central Commission for Discipline Inspection of the CPC, and conducted research and made implementation arrangements.

January 20

The SAFE carried out trial operation of the monitoring and analysis system for cross-border capital flows nationwide.

The foreign exchange monitoring system for trade in services was rolled out nationwide to further enhance foreign exchange monitoring and analysis level for trade in services and strengthen the monitoring work over cross-border

capital flow of trade in services.

January 21

The SAFE issued the *Circular of the State Administration of Foreign Exchange on Printing and Distributing the Regulations on Foreign Exchange Administration for the Conversion of External Debts into Loans* (Huifa No. 5 [2014]). According to the Regulations, by referring to the management approach for domestic foreign exchange loans, the restrictions on account opening, repayment of principal and interest as well as settlement and sales of foreign exchange etc. were removed and the deal-by-deal registration of on-lending debtors is changed to centralized registration of creditors, to simplify foreign exchange administration of external debt re-lending.

January 23

The SAFE convened the Working Conference on the Construction of Cadre Team and Party's Work Style and Clean Government to deliver the spirit of the 3rd Plenary Session of the 18th CPC Central Commission for Discipline Inspection, provide a summary of work related to clean government in 2013, and set forth the work tasks in 2014.

January 24

A recap meeting on carrying out the CPC's Mass Line Education and Practice Campaign of the SAFE was held to study the spirit of the speech delivered by General Secretary Xi Jinping at the CPC meeting for summarizing the first stage of the CPC's Mass Line Education and Practice Campaign and for making plans for the second stage, and to sum up the work in carrying out the campaign and to make plans for implementation of the "two programs and one plan".

● February

February 26

Five payment institutions including PayEase Technology (Beijing) Co., Ltd., Beijing UnionPay Merchant Services Co., Ltd., Chinabank Payments (Beijing) Technology Co., Ltd., Lakala Payment Co., Ltd. and Property & Credit E-payment Co., Ltd. passed the acceptance checks and became the second

batch of pilot institutions eligible for conducting foreign exchange payment for cross-border e-commerce transactions.

● March

March 1

The questionnaire survey system for import and export enterprises was put into operation.

March 5

The SAFE issued the *Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Trade in Border Areas* (Huifa No. 12 [2014]) to regulate and facilitate settlement under border trade, and promote the healthy development of border trade between China and its surrounding countries.

March 13

The Supervision and Inspection Department of the SAFE and the Anti-smuggling Bureau of the General Administration of Customs signed the Memorandum of Understanding on cracking down upon smuggling as well as illegal and criminal activities in foreign exchange field.

March 19

The Supervision and Inspection Department of the SAFE initiated the special inspections of foreign exchange business for transit trade of banks.

March 21

The Supervision and Inspection Department of the SAFE launched special inspections of forward exchange settlement.

March 24–April 4

The SAFE held training courses for its leading cadres above the deputy divisional level to study and implement the spirit of a series of important speeches made by General Secretary Xi Jinping.

● April

April 8

The SAFE issued the *Circular of the State Administration of Foreign Exchange*

on Issuing the Standards Version 1.0 for Collecting Data on Foreign Exchange Transactions by Financial Institutions (Huifa No. 18 [2014]) to strengthen the data collection and management of foreign exchange transactions, thereby providing financial institutions with institutional guarantees in data submission.

April 15

The SAFE convened a briefing meeting on inspection of banks in Beijing, in which representatives from the head offices of 32 banks were present.

April 16

The SAFE issued the *Circular of the State Administration of Foreign Exchange on Printing and Issuing the Classification and Codes of Foreign-related Receipt and Payment Transactions (2014 Version)* (Huifa No. 21 [2014]) and comprehensively revised the *Classification and Codes of Foreign-related Receipt and Payment Transactions* implemented in 2004 in line with the latest international statistical standards of the International Monetary Fund (IMF) –the *Balance of Payments and International Investment Position Manual (6th Edition)*.

April 22

The SAFE and the General Administration of Customs jointly issued the *Circular of the State Administration of Foreign Exchange and the General Administration of Customs on Printing and Distributing the Regulations on the Administration of Banks' Transport of Foreign Currency Banknotes Into or Out of the Territory of the PRC* (Huifa No. 24 [2014]), to further standardize administration of the transport of foreign currency cash into and out of China by banks.

● May

May 1

The Foreign Exchange Monitoring System for Trade in Goods, Phase III began on-line operations.

May 4

In line with the requirements of the *Balance of Payments and International*

Investment Position Manual (6th Edition), the SAFE completed the transaction code conversion and rollout work for balance of payments online declaration system, monitoring and analysis system, capital account information system, account system, etc.

May 12

The SAFE rolled out the monitoring and analysis system for cross-border capital flows nationwide, providing an important approach for strengthening ex-post monitoring and analysis, identifying abnormal entities and guarding against risks from cross-border capital flow.

The Circular of the State Administration of Foreign Exchange on Promulgating the Provisions for Foreign Exchange Administration on Cross-border Guarantee (Huifa No. 29 [2014]) was released to rationally define foreign exchange administration scope and regulatory responsibility boundaries of cross-border guarantee, cancel or substantially cut back on the scope of control over quantity and the scope of registration of cross-border guarantees, take registration as the major administrative approach and abolish all ex-ante approvals so as to simplify and clarify foreign exchange administration of cross-border guarantee.

May 23

The SAFE issued the *Circular of the General Affairs Department of the State Administration of Foreign Exchange on Adjusting the Relevant Indicators on Statistical Statements of Banks' Foreign Exchange Settlement and Sales* (Huizongfa No. 65 [2014]) to adapt to the new changes in classifications and codes of foreign-related receipts and payments transactions and maintain consistency for statistical coverage of data.

May 29

The SAFE and the Economic Crime Investigation Bureau of the Ministry of Public Security jointly convened the 14th session of the joint office for combating illegal and criminal activities of illegal foreign exchange trading.

● June

June 3

The foreign exchange monitoring system for trade in goods was awarded the first prize of Bank Science and Technology Advancement Award of the People's Bank of China of 2013.

June 12

The enterprise online interface service platform of the SAFE was put into use, and the first pilot enterprise got connected to the platform.

June 20

The bank online interface service platform of the SAFE was put into use, and the first pilot bank got connected to the platform.

June 23

The SAFE released the *Circular of the State Administration of Foreign Exchange on Printing and Distributing the Administrative Rules on Conducting RMB and Foreign Exchange Derivative Business by Banks for Clients* (Huifa No. 34 [2014]). Since August 1, new measures for foreign exchange derivative market development with an aim to support product innovation, improve real demand management and simplify market access have been implemented in a bid to better meet the demand of market players for managing exchange risks.

June 25

The SAFE issued the *Administrative Measures for Banks in Conducting Foreign Exchange Settlement and Sale Business* (Decree No. 2 [2014] of the People's Bank of China) to lower the market access qualifications for foreign exchange settlement and sale by banks and streamline market access management.

June 26

The SAFE released the *Implementation Measures of the State Administration of Foreign Exchange on Carrying out the Regulations on Rigorous Enforcement of Economy and Combating Waste by Party and Government Organs* (Huidangzu No. 21 [2014]).

● July

July 1

The SAFE issued the *Circular of the People's Bank of China Concerning Relevant Issues on Management of Exchange Rate on Inter-bank Foreign Exchange Market and Posted Exchange Rate of Banks* (Yinfa No. 188 [2014]) to cancel the restrictions of the banks over the spread of the posted USD trading of clients, with exchange rate set by banks on their own based on market supply and demand, so as to realize the full marketization of management over posted exchange rate of RMB against all foreign currencies.

July 3

Yi Gang, Secretary of the Party Leadership Group and Administrator of the SAFE, attended the symposium on fulfilling entity responsibilities convened by the Central Commission for Discipline Inspection.

July 4

The SAFE released the *Circular of the State Administration of Foreign Exchange on Carrying out a Pilot Reform in Some Regions on Administrative Approaches to Settlement of Foreign-invested Enterprises' Foreign Exchange Capital* (Huifa No. 36 [2014]), and scaled up the reform pilots for the willingness exchange settlement of foreign exchange capital of foreign-invested enterprises to 16 national pilot economic and financial reform pilot zones including Tianjin Binhai New Area, and facilitate the requirements for business and capital operations of foreign-invested enterprises.

The SAFE released the *Circular of the SAFE on Foreign Exchange Administration of Overseas Investments and Financing and Round-trip Investments by Domestic Residents via Special Purpose Vehicles* (Huifa No. 37 [2014]), which conducted substantial reforms on foreign exchange administration policies with respect to round-trip investment, in order to further facilitate the cross-border investment and financing activities by domestic residents.

July 10

The SAFE coordinated China Foreign Exchange Trade System (CFETS) to issue the *Guidelines on Professional Ethics and Market Practices in Inter-bank Foreign Exchange Market and the Working Regulations of the Specialized Committee of Professional Ethics and Market Practice for Inter-bank Foreign Exchange Market*, to promote fair competition as well as a honest and orderly development environment for foreign exchange market.

● August

August 4

The SAFE promulgated the *Implementation Opinions of the CPC Leadership Group of the State Administration of Foreign Exchange on Fulfilling Responsibilities for Constructing Party Conduct and Clean and Honest Government and Monitoring Responsibilities* (Huidangzu No. 34 [2014]).

August 11–14

The SAFE held the 2014 high-level seminar of State Administration of Foreign Exchange for branch heads to convey the spirit of the Seminar for Presidents of the PBC branches and sub-branches, summarize and study foreign exchange administration practices in recent years, and open a new chapter in the foreign exchange administration reforms.

August 15

The SAFE started the joint debugging work for the interface program of external financial assets, liabilities and transaction data, foreign currency cash deposit and withdrawal data of individuals as well as the banks' own external debt data.

August 20

The Supervision and Inspection Department of the SAFE was awarded advanced group in the 2nd session of "building civilized office and endeavoring to be civil servants satisfying to the people" campaign by the Working Committee of CPC state organs.

August 22

The exemplary deeds of Analysis and Forecast Division, Balance of Payments

Department of the SAFE with respect to fulfilling the socialist core values were published by Ziguangge magazine.

● September

September 1

The Statistical System for External Financial Assets, Liabilities and Transactions came into force.

September 11

The Circular of the State Administration of Foreign Exchange on Adjusting the Assessment Cycle of the Banks' Performance in Implementing the Provisions for Foreign Exchange Administration (Huifa No. 42 [2014]) was released to further enhance the effectiveness of the assessment work on banks' performance in implementing the provisions for foreign exchange administration.

September 13

The SAFE rolled out the upgraded version of the application service platform nationwide.

September 15

The non-monitoring function of the second phase of capital account information system was rolled out.

September 23

The SAFE supported the public security organs to detect and solve the exceptionally serious "5·28" underground money shop case.

September 26

The series of interpretation materials for the *Balance of Payments and International Investment Position Manual (6th Edition)* were released to facilitate the general public and declaring entities to learn about and understand the latest requirements, and better support the construction and implementation of the BOP statistical system.

September 30

The network upgrade and renovation work for SAFE branches was completed.

● October

October 10

The SAFE launched the data (new interface) collection of external financial assets/liabilities and transactions, individual foreign cash deposit/withdrawal, and external debts owned by banks.

October 29

The SAFE went to Julu County of Hebei Province to carry out poverty alleviation work at designated places.

● December

December 4

The SAFE convened a symposium on fulfilling responsibilities for constructing Party conduct as well as a clean and honest government.

December 5

The SAFE released the *Circular of the State Administration of Foreign Exchange on Adjusting the Relevant Management Policies Regarding Entry of Financial Institutions into the Inter-bank Foreign Exchange Market* (the *Circular*) (Huifa No. 48 [2014]). According to the Circular, the ex-ante approval for entry of financial institutions into the inter-bank foreign exchange market shall be abolished as of January 1, 2015 to further give play to the adjustment role of market mechanism.

December 8

The monitoring function of the second phase of capital account information system was rolled out.

December 9

The Supervision and Inspection Department of the SAFE and the Credit Reference Center of the People's Bank of China signed a Memorandum of Understanding, stipulating that substantial foreign exchange violation information of enterprises and public institutions which have been punished since January 1, 2015 shall be included into the basic database of credit information of the financial industry.

December 15

The SAFE supported the public security organs to detect and solve the exceptionally serious "9·16" underground money shop case in Zhejiang Province.

December 25

The SAFE issued the *Circular of the State Administration of Foreign Exchange on Printing and Distributing Detailed Rules for the Implementation of the Administrative Measures for Foreign Exchange Settlement and Sales by Banks* (Huifa No. 53 [2014]) to further facilitate the banks' handling of foreign exchange settlement and sales.

The SAFE convened a meeting of democratic life for the Party Leadership Group of the SAFE for 2014, which all members of the 29th Steering Group of the CPC Central Committee and relevant leaders of the CPC Committee of the People's Bank of China attended.



Major Foreign Exchange Administration Policies and Regulations Promulgated in 2014

A. General

1. Circular of the SAFE on the Issuance of the Regulations on the Centralized Operation and Management of the Foreign Exchange Funds of MNCs (Interim)

Huifa No. 23 [2014]

Date of Promulgation: April 18, 2014

Effective Date: June 1, 2014

Summary: Making innovations to the MNCs' account system; further streamlining the review of instruments; facilitating the MNCs in financing; managing the settlement of foreign exchange capital and the external debt based on a "negative list" approach; and enhancing statistics and monitoring to prevent and control risks.

2. Circular of the State Administration of Foreign Exchange on the Announcement of Thirty-four Abolished and Invalidated Regulatory Documents on Foreign Exchange Administration

Huifa No. 44 [2014]

Date of Promulgation: September 22, 2014

Effective Date: September 25, 2014

Summary: 34 regulatory documents on foreign exchange administration are abolished or expire, of which, 18 are abolished and 16 expire.

B. The Balance-of-payments Statistics and Foreign Exchange Administration of Financial Institutions and the Foreign Exchange Market

1. Circular of the State Administration of Foreign Exchange on Printing and Distributing Classifications and Codes of Foreign-Related Receipts and Payments Transactions (2014 Version)

Huifa No. 21 [2014]

Date of Promulgation: April 16, 2014

Effective Date: May 1, 2014

Summary: In line with the requirements of the *Balance of Payments and International Investment Position Manual (6th Edition)*, the SAFE adjusts part of the codes and further strengthens monitoring over capital flow under trade in services to better meet the data compilation and regulatory requirements and reduce the burdens of declaring parties in the meanwhile.

2. Circular of the State Administration of Foreign Exchange and the General Administration of Customs on Printing and Distributing the Regulations on the Administration of Banks' Transport of Foreign Currency Banknotes Into or Out of the Territory of the PRC

Huifa No. 24 [2014]

Date of Promulgation: April 22, 2014

Effective Date: May 1, 2014

Summary: Simplifying process and delegating administrative approval responsibilities to the SAFE branches; clarifying the processes for adding customs ports, with only the local SAFE branches and the customs' authority directly under the GAC required to file with the SAFE and the GAC; allowing other qualified institutions to conduct transport of foreign currency banknotes into or out of the territory of the PRC after obtaining approval; adjusting the name of the "License for Banks' Transport of Foreign Currency Banknotes Into or Out of the Territory of the PRC" to "Documents Evidencing Transport of Foreign Currency Banknotes Into or Out of the Territory of the PRC".

3. Circular of the State Administration of Foreign Exchange on Adjusting the Relevant Management Policies Regarding Entry of Financial Institutions into the Inter-bank Foreign Exchange Market

Huifa No. 48 [2014]

Date of Promulgation: December 5, 2014 Effective Date: January 1, 2015

Summary: The SAFE cancels ex-ante approvals for financial institutions to enter the inter-bank foreign exchange market, improves market supervision, defines the basic transaction rules for financial institutions in the inter-bank foreign exchange market, and continues to facilitate the establishment of a new foreign exchange market management framework that focuses on both government supervision and market discipline. The laws and regulations are sorted out and consolidated, while four foreign exchange management documents involving the entry of financial institutions into the inter-bank foreign exchange market are repealed.

C. Foreign Exchange Administration under the Current Account

Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Trade in Border Areas

Huifa No. 12 [2014]

Date of Promulgation: March 5, 2014 Effective Date: April 1, 2014

Summary: It is prescribed that foreign exchange receipts and payments in the name of trade conducted by border trade enterprises and individuals shall be backed by authentic and legitimate border trade, and settlement approaches, currencies as well as management of foreign exchange accounts are also specified.

D. Foreign Exchange Administration under the Capital Account

1. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies under the Capital Account

Huifa No. 2 [2014]

Date of Promulgation: January 10, 2014

Effective Date: February 10, 2014

Summary: Simplifying the administration of external claims of financial leasing companies; simplifying foreign exchange administration for transfers of domestic non-performing assets to overseas investors; further liberalizing the management of preliminary expenses for overseas direct investment; further relaxing management of overseas lending by domestic enterprises; streamlining review of the profit remittances by domestic institutions; and improving management of the License for Foreign Exchange Operations in the Securities Business for securities companies.

2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Regulations on Foreign Exchange Administration for the Conversion of External Debts into Loans

Huifa No. 5 [2014]

Date of Promulgation: January 21, 2014

Effective Date: March 1, 2014

Summary: The SAFE cancels the deal-by-deal registration and remittance approval of conversion of external debts into loans at the foreign exchange authority, and replacing them with a centralized registration of creditors for loan conversions; terminates approval of the account opening for loan conversions; as a result, loan conversion debtors will be allowed to complete account-opening procedures at the banks by presenting an application for account opening and an agreement of loan conversion. The SAFE allows loan conversion creditors or debtors to complete the procedures for the transfer of the relevant funds within China directly at the opening bank by presenting the agreement of loan conversion; cancels the examination and approval of

policy-based foreign exchange settlements for loan conversions; and removes the procedures for the approval of principal repayments with interest and foreign exchange purchases under the item of loan conversions.

3. Circular of the State Administration of Foreign Exchange on Issues Concerning Verification of the Quotas for the Outstanding Short-term External Debts of Domestic Institutions in 2014

Huifa No. 14 [2014]

Date of Promulgation: March 20, 2014

Effective Date: April 8, 2014

Summary: The annual indicators in 2014 for some Chinese-funded banks are verified, and the adjustment is mainly favorable to banks which serve SMEs, while giving proper attention to the short-term external financing demand of Chinese-funded enterprises.

4. Circular of the State Administration of Foreign Exchange on Releasing the Regulations for Foreign Exchange Administration of Cross-border Guarantee

Huifa No. 29 [2014]

Date of Promulgation: May 12, 2014

Effective Date: June 1, 2014

Summary: The SAFE comprehensively standardizes foreign exchange administration of cross-border guarantees; realizes equal treatment for Chinese and foreign-invested enterprises; and strengthens the management concept for risk prevention. In parallel with streamlining administration and delegating power to lower levels, off-site verifications and foreign exchange inspections are stressed through a supporting system and a regulatory approach, and investigations of violations of responsibilities are strengthened. Meanwhile, laws and regulations are cleared up and consolidated to enhance transparency.

5. Circular of the State Administration of Foreign Exchange on Carrying out a Pilot Reform in Some Regions on Administrative Approaches to Settlement of Foreign-invested Enterprises' Foreign Exchange Capital

Huifa No. 36 [2014]

Date of Promulgation: July 4, 2014

Effective Date: August 4, 2014

Summary: The foreign exchange capital of foreign-invested enterprises in pilot regions is subjected to discretionary settlement with the RMB Proceeds from the settlement included in the management of accounts for settled funds to be paid, so as to facilitate domestic equity investments by foreign-invested enterprises with funds from foreign exchange settlement.

6. Circular of the SAFE on Foreign Exchange Administration of Overseas Investments and Financing and Round-trip Investments by Domestic Residents via Special Purpose Vehicles

Huifa No. 37 [2014]

Date of Promulgation: July 4, 2014

Effective Date: July 14, 2014

Summary: Optimizing the administration process; streamlining the administration links; simplifying the business materials; expanding the channels for capital outflow; relaxing restrictions on the utilization of funds from overseas financing, abolishing the mandatory rules on the repatriation of funds, i.e., "profits, dividends, and foreign exchange earnings brought about by capital changes derived from special purpose companies by domestic residents shall be repatriated within 180 days from the day of receipt," and allowing funds from overseas financing and other related funds to be retained for overseas use; clearly incorporating incentive plans for employee rights and benefits in non-listed special purpose companies into the scope of registration to better satisfy the reasonable individual demands of domestic residents; and strengthening the idea of risk prevention and control, intensifying responsibility investigations of violations by putting more efforts into statistics and monitoring and focusing on regulation during the course and ex-post regulation as well as decentralizing to promote the facilitation of cross-border investments and financing.



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