



February 18, 2019

Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area

May 14, 2020

Opinions on Financial Support for the Guangdong-Hong Kong-Macao Greater Bay Area

4 overarching goals + 5 aspects + 26 measures

July 31, 2020

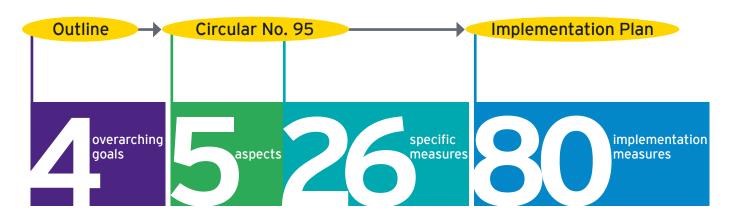
Implementation Plan for Providing Effective Financial Support for the Guangdong-Hong Kong-Macao Greater Bay Area

80 specific implementation measures

On 14 May 2020, the People's Bank of China (PBOC), China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission (CSRC), and State Administration of Foreign Exchange (SAFE) issued the *Opinions on Financial Support for the Guangdong-Hong Kong-Macao Greater Bay Area* ("Circular No. 95"). Circular No. 95 supplements and expands upon the policies governing financial services under the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. It consists of 4 overarching goals and 26 specific measures organized into 5 aspects.

On 31 July 2020, Guangdong Financial Supervisory Authority—in association with PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, and CSRC Shenzhen Branch—co-issued the Implementation Plan for Providing Effective Financial Support for the Guangdong-Hong Kong-Macao Greater Bay Area ("Implementation Plan"). Building on the previous two documents, it contains 80 detailed, supplementary measures that implement the financial support to the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), and is, therefore, of strategic importance to promoting financial cooperation between the three regions and the coordinated economic and social development of GBA.





- To support the real economy and provide strong financial support for GBA
- To promote cooperation, mutual benefits and financial complementarity and integration among Guangdong, Hong Kong, and Macao
- To be market oriented and optimize the allocation of financial resources
- 4. To prevent systemic financial risk and promote financial openness and innovation in a steady and orderly manner

Facilitating trade, investment, and financing

Facilitating cross-border trade, investment, and financing in GBA as well as improving the convenience of foreign exchange and cross-border circulation

Opening the financial sector

 Promoting financial openness and financial cooperation between the Mainland, Hong Kong and Macao

Boosting regional interconnectivity

 Diversifying the Guangdong-Hong Kong-Macao financing channels and boosting interconnectivity of financial markets and financial infrastructures

Enhancing financial services and driving innovation

 Further enhancing financial services and innovation capacity in GBA

Preventing cross-boarder financial risks

 Preventing cross-border financial risks, enhancing regional coordination in cross-border financial regulation, and improving the risk prevention and control of cross-border capital flows Building on the 26 specific measures, the 80 implementation measures are more proactive, innovative, and actionable within the following 3 aspects:

- The more proactive financial openness measures allow financial institutions to focus on steady growth in key areas, to help create an international financial hub;
- 2. On enhancing regional interconnectivity and cross-border financial services and preventing cross-border risks, the Implementation Plan proposes numerous policies that encourage product and service innovation, to address current regional shortfalls in fintech and cross-border finance;
- Measures are logically categorized, and assigned to specific responsible government agencies, to accelerate implementation.

Implications of the 80 Implementation Measures

Banking: Boosting cross-border banking services, green finance, and fintech

Driving implementation of the cross-border Wealth Management Connect pilot scheme

- On 29 June 2020, the PBOC, the Hong Kong Monetary Authority, and the Monetary Authority of Macao issued the Joint Announcement on the Launch of the Cross-border Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area ("Announcement"), stating that the pilot scheme will be officially launched once rules and systems are in place. On the basis of the Opinions and the Announcement, the Implementation Plan requests all government agencies to provide cooperation during preparations and garner policy support to ensure the pilot scheme is successfully launched.
- Accelerated timetable for the Wealth Management Connect urges GBA-based banks to build or introduce commensurate and more effective sales channels, customer service capabilities, product innovations, and management frameworks at a faster pace.

cross-border WMPs, building operational and sales channels, tapping into the massive local wealth, attracting incremental capital, strengthening business and brands

Developing innovative

Facilitating cross-border trade and circulation of foreign and local currencies

- The Implementation Plan supports Domestic GBA banks to directly exchange RMB funds for enterprises for payment in cross-border trade and services, and to process the domestic payment and use of funds from foreign direct investments, cross-border financing, and overseas listings, according to the payment instructions of the relevant enterprises and provided "Know Your Customer, Know Your Business, and Due Diligence" obligations are fulfilled. In addition, it encourages qualified Mainland banks in GBA to offer, on a pilot basis, ways to facilitate foreign-currency receipts and payments in trades, so that creditworthy, well-managed market participants in GBA can benefit from the more convenient trade settlement process. More banks are supported in implementing convenient settlement procedures for individuals who engage in trades. This promotes market procurement and cross-border e-commerce by individuals, innovation of banking business models, and more convenient document review and service procedures for individuals.
- Concrete measures drive banks to improve and innovate their services. The anticipated cross-border settlement process for both businesses and individuals, which is more autonomous and flexible, is poised to lower the cost of cross-border financial transactions and support the real economy in GBA.

Policies that facilitate cross-border funds circulation (RMB and foreign currencies) allow commercial banks to improve operational efficiency and cut costs, but they need to implement prudential supervision principles and strengthen their monitoring frameworks



Facilitating financing for Guangdong, Hong Kong, and Macao businesses and individuals

- The Implementation Plan provides a detailed arrangement for financing facilitation. It (i) supports cross-border mortgage registration in Domestic GBA. Hong Kong and Macao residents will have an easier time buying houses in Domestic GBA as they will be allowed to collateralize self-occupied residences they have purchased in the region to overseas banks; (ii) explicitly supports Domestic GBA banks to offer outbound RMB loans; (iii) encourages banks to support qualified domestic companies to issue bonds in Macao; and (iv) encourages financial institutions in Guangdong to work with those in Hong Kong and Macao to offer a full-range of financial services to Hong Kong and Macao companies that are issuing bonds in the Mainland.
- These facilitation policies further stimulate the financing markets of Guangdong, Hong Kong, and Macao; create additional business opportunities for banks in GBA; and boost cross-border capital flows and the internationalization of the RMB.

Bolstering interconnectivity of regional financial markets and financial infrastructures

- The Implementation Plan supports Hong Kong- and Macao-based RMB clearing banks to enter the Mainland interbank lending market, so that they can play a more active role in the Mainland interbank market. The Shenzhen Stock Exchange is encouraged to connect with overseas markets and, through its bond market, to support projects in GBA. Guangdong-based credit reporting and rating agencies are supported to expand to overseas markets and open branches in Hong Kong and Macao. Guangdong, Hong Kong, and Macao regulators are to work together to (i) facilitate the mutual recognition of credit-reporting products and ratings and (ii) update the loan procedures and credit evaluation models to so that credit reports and ratings are recognized throughout GBA.
- Interconnectivity of financial markets and financial infrastructures requires an internationally recognized credit rating system. Credit rating agencies and regulators, however, still need to address issues such as data privacy and cross-border data sharing.

Enriching commercial banks' range of crossborder investment and financing services and promoting product banks have to become international businesses

Commercial banks should capitalize on the synergies, market recognition of products, and talent exchange among financial institutions, to integrate internal and help build a multi-

Building a service system for green finance products and services

- General policy on building the green finance system is detailed into formulating guidelines on financial services for green supply chain, including developing financing of the green supply chain in car-making and other industries. Financial institutions are encouraged to develop innovative green finance products and services and support green manufacturing and environmentally friendly industries in GBA, for example by granting more green loans. Support will be given to (i) businesses in GBA in issuing certified and green-label bonds in Hong Kong and Macao; and (ii) Guangdong-based financial corporations in issuing green bonds and other green finance products in Hong Kong and Macao to fund green industries and projects in GBA. The Implementation Plan also seeks to establish uniform standards for green finance products, certification, and evaluation in GBA.
- An innovative financial system can direct more private capital toward the green industry. It will not only make the financial industry in GBA stronger, but also provide a greater number of scenarios where green finance could be applied and, as a result, promote economic and social development.

Commercial banks should fine-tune their green finance strategies, organizational structures, management frameworks, and product and service offerings to adapt to innovations and changes in financial rules, industry planning, and application

Boosting financial services and innovation to support hi-tech companies and scientific and technological progress

- To foster stronger financial support to tech and innovation programs, the Implementation Plan proposes hi-tech companies be permitted to freely use foreign debts within a certain limit. It also (i) supports financial institutions to develop diversified business models, including banks to offer medium- and long-term R&D loans to tech companies through IP-backed financing, as well as medium and long-term unsecured loans to top entrepreneurs named in a the national talent program; (ii) encourage banks and insurers to provide context-aware financial support to strategic emerging industries, advanced manufacturing, and technology and innovation projects. Domestic GBA banking institutions are encouraged to work more closely with external venture capitals, expand outbound investment, and explore new ways to support the technology sector, on the condition of compliance and risks being manageable.
- The Implementation Plan encourages banks to enhance their financial service capacity for tech and innovation activities and to offer innovative products, services, and mechanisms to support the hi-tech industry.

As GBA is a forerunner in financial innovations and has international experience and institutional advantages explore ways of integrating technology and finance while building up technical capabilities

Insurance: Greater opening of market and integration of cross-border services

Further opening the insurance sector

- The Implementation Plan supports qualified Hong Kong and Macao insurers to open branches in Domestic GBA and insurance asset management companies to open subsidiaries in Domestic GBA. Insurance asset management companies may be permitted to invest in the wealth management subsidiaries of overseas asset management institutions in Domestic GBA. Insurance assets may now also be invested in Hong Kong and Macao on the condition of compliance and risks being manageable.
- The Implementation Plan opens up additional investment channels for insurance assets and additional financing channels for GBA projects.

Broader fundraising and investment channels for insurance companies and asset managers enable greater collaboration and complementarity with banks' asset management products and investment funds

Detailed policies on cross-border insurance payments and receipts

- There are now more detailed policy guidelines for insurance transactions that comply with the rules of banking and insurance regulators and the prevailing foreign exchange policies, including current-account transactions such as accident insurance, medical insurance, and non-participating health insurance bought by Mainland residents for tourism, studying abroad, and business activities in Hong Kong and Macao. These guidelines facilitate the cross-border remittance services of Domestic GBA banks in relation to claim settlement, policy renewal and surrender.
- The Implementation Plan sets out the R&D direction for Guangdong, Hong Kong, and Macao insurers in terms of new and more convenient services and products for GBA residents.

Directly addressing insurance coverage for mainland residents traveling abroad, the new policies expressly permit (i) currency exchange for cross-border insurance funds in GBA and (ii) insurers in HK and Macao to develop insurance products in line with these policies and compliance requirements

Developing GBA-exclusive critical illness insurance products

- The Opinions supports Guangdong, Hong Kong, and Macao-based insurers to jointly develop innovative products such as crossborder medical insurance. The Implementation Plan takes it one step further by encouraging insurers to create critical illness products exclusive to GBA based on regional incidence tables and empirical health data. The Implementation Plan also supports the creation of a consumer-friendly medical insurance service platform which is to offer the insured in GBA with direct reimbursement, health management, disease prevention, and other services. The goal is to simplify the settlement of medical expenses and, therefore, improve the quality of healthcare services.
- The Implementation Plan seeks to align Mainland critical illness insurance products with those in Hong Kong and Macao markets. This will not only help unify the insurance sectors in GBA but also make these products more accessible to consumers in GBA.

Given the policies promoting the integrated development of GBA insurance markets, insurance companies should optimize product design and pricing and improve overall service capabilities in areas such as claim management and payment

Asset Management: More participants brings new opportunities for innovation and growth

Concrete measures for piloting cross-border investment of private equity funds

- Support for the QFLP program is re-affirmed to attract low-cost overseas capital to GBA projects. In particular, institutional investors in Hong Kong and Macao are encouraged to invest in private equity funds and venture capital enterprises (funds) in Domestic GBA through the QFLP program. Meanwhile, Mainland private equity funds will be allowed to invest overseas. Guangzhou and Zhuhai are supported to pilot the Qualified Domestic Limited Partner (QDLP) and Qualified Domestic Investment Enterprise (QDIE) schemes in the Nansha area and Hengqin area of China (Guangdong) Pilot Free-Trade Zone. Shenzhen will continue its QDIE pilot and exercise macro-prudential supervision on QFLP and the QDLP/QDIE pilots.
- Cross-border investment in (and by) private equity funds increases capital liquidity. It fuels fledgling high-tech companies and creates opportunities for competitive private equity firms.

Two-way cross-border capital flows benefit enterprises and private equity funds. Funds should take this opportunity to enhance fundraising channels and product

A more diversified and open asset management market in the GBA

- The Implementation Plan supports GBA-based securities, funds, and futures firms to acquire RQFII, QFII, or QDII status and become more international. Attracting domestic and foreign securities firms to GBA is now "vigorously promoted," rather than merely "permitted in a lawful and orderly manner." Hong Kong, Macao, and multinational financial institutions are also encouraged to set up securities, fund, and futures joint ventures in Guangdong, so as to further open up the securities sector in GBA. Qualified wealth management subsidiaries of commercial banks may be permitted, but not required, to establish specialized investment subsidiaries in Domestic GBA, as will qualified financial asset investment companies in establishing investment subsidiaries in the region. Furthermore, foreign capital is encouraged to be invested in trust companies and other financial institutions in Domestic GBA.
- The Implementation Plan promises broader and more open investment channels for assets under management.

Mainland asset managers need to optimize their organizational structures, staff composition, capital expenditure, and technology applications to cope with the increased industry professionalism and financial complexity following the entry of overseas competitors

Promoting innovation in the asset management sector

- The Implementation Plan seeks to build first-rate wealth management institutions by supporting fund management companies in Domestic GBA to engage in investment advisory, expand the range of equity-based products, and take an active part in various pilot programs (e.g., public REITs) and the process of mutual recognition of fund products. Domestic GBA-based securities firms and fund management companies are encouraged to engage their overseas subsidiaries as investment advisors for their QDII products. Support will also be given to (i) Domestic GBA-based securities firms to engage in M&A, restructurings, and overseas businesses; (ii) development of diversified and differentiated financial products and instruments; (iii) the implementation of various supporting policies, in order to cultivate a group of internationally competitive investment banks.
- A more diverse array of cross-border investment channels and financial products and services will help increase capital efficiency in GBA and boost cross-border investment.

To correspond to industry innovations and changes, asset product development, talent management, and

Fintech: Greater financial support for technology and innovation and wider applications

Creating new financing channels for tech companies

- The Implementation Plan encourages financial institutions to develop diversified business models-IP-backed medium and long-term R&D loans, medium and long-term unsecured loans for top entrepreneurs, among others-for tech companies, and supports hi-tech companies to freely use foreign debts within a certain limit. It hopes to capitalize on the momentum of Shenzhen Stock Exchange's pilot program on registration-based IPO, to help the exchange build a national exchange market for intellectual property rights (in particular technological IPs). It also supports insurance assets and qualified asset management products to invest in venture capital and equity funds that target tech companies, and Hong Kong and Macao-based private funds to invest in GBA-based tech and innovation companies, with a view to creating a diversified, international, and cross-regional investment and financing framework for technological innovation.
- Diversified financing channels will bring in additional capital to GBA-based hi-tech companies, boost financial services to drive technological progress and innovation in financial services, and accelerate research and development and innovation and its commercialization.

Deploying new technologies in financial services

- Financial institutions are encouraged to (i) find a viable mechanism for data sharing within the industry; (ii) strengthen IT infrastructure and cybersecurity; (iii) incorporate internet, big data, cloud computing, and other technologies into loan procedures and credit evaluation models; and (iv) boost information security. Additionally, the Implementation Plan calls for the wider application of mobile payment in smart transportation, smart living, smart healthcare, smart senior services, and other key aspects of urban- and rural-living in GBA. In particular, foreigners in GBA will have an easier time making mobile payments in the Mainland; and Mainland non-bank payment processors are supported to expand to Hong Kong and Macao.
- The Implementation Plan will make financial services in GBA more tech-driven and convenient.

More diverse ways to enable GBA-based

Regulation: More effective regulatory coordination to prevent financial risks

Prioritizing talent training and exchange policies

- In addition to proposing a regulatory sandbox for cross-border financial innovation and the evaluation of money-laundering risks of innovative cross-border financial projects and products, the Implementation Plan provides more concrete policies and schemes for the training and knowledge exchange of financial professionals. It calls for new or improved policies for attracting and managing such professionals, in particular to draw in high-end financial talent from Hong Kong and Macao, in order to build a pool of professionals with international and strategic perspectives.
- Regulators will work together to control cross-border financial risks and to build a talent pool, so as to ensure the sustainable development of GBA.

Talent cultivation and exchange policies promote finance professionals and are crucial to creating a diversified financial market in GBA

Establishing a multi-dimensional cross-border dispute resolution mechanism

- The Framework Agreement on Guangdong-Macao Cooperation in Financial Dispute Resolution will be implemented to better protect financial consumers across GBA. Arbitration commissions, financial courts, and other adjudication bodies in the Pearl River Delta region will be engaged to hear and rule on financial and legal cases in GBA. The goal is to establish a mediation-centric (but multi-dimensional), internationally aligned cross-border mechanism for resolving financial disputes in GBA.
- Efficient and expedient dispute resolution services help create a law-based business environment and, hence, a thriving GBA.

Creating a multifinancial disputes facilitates the convergence of financial rules and standards in GBA, thereby propelling cross-border financial cooperation and

Strengthening IT risk management and cybersecurity

- ▶ The Implementation Plan proposes improving IT governance at financial institutions by strengthening infrastructure, cybersecurity, and protection of client information and increasing the institutions' preparedness for emergencies and disasters, in order to ensure business continuity and operational safety.
- More specific requirements on IT infrastructure and cybersecurity will press financial institutions to increase investment in the area and improve their IT governance and security.

Policies stress that financial institutions should be well-prepared for the information challenges brought by fintech, and that they should build effective lines of defense to safeguard financial data



Appendix: Comparison of Circular No. 95 and its Implementation Plan

I. General principles

- 1. Supporting the real economy. With a view to achieving qualitative economic development and facilitating trade and investment, we will comprehensively promote innovations in cross-border investment and financing, optimize the allocation of financial resources, improve financing efficiency, enhance the quality and efficiency of financial services, and promote the internationalization of renminbi (RMB), in order to provide strong financial support for the creation of a dynamic and internationally competitive bay area and world-class city cluster.
- 2. Promoting cooperation and mutual benefit. We will seek innovative approaches and models for financial cooperation between the Mainland and Hong Kong and Macao, open the financial services industry to Hong Kong and Macao at a more fundamental level, support the deeper integration of Hong Kong and Macao into national financial reform and opening-up programs, tap (under the "one country, two systems" policy) into the unique advantages of Hong Kong's financial system, support Hong Kong in consolidating and growing its status as an international financial center, and strengthen the financial complementarity, mutual support, and interaction within GBA.
- 3. Being market-oriented. We will empower the market to play a decisive role in allocating financial resources. We will advance financial market reform. promote the interconnection between Shenzhen and Hong Kong financial markets, facilitate financing in GBA, and enable the market to dictate the direction and volume of capital flow through diversified financial intermediary channels.
- 4. reventing systemic financial risks. We will establish sound mechanisms for regional financial supervision and coordination, develop a system for managing the risks of cross-border capital flows that is in line with financial opening and innovation goals, and, on the premise of maintaining legal compliance and keeping risks at manageable levels, promote progressively greater financial opening and innovation in GBA by approving the launch of the new programs as and when they are ready.

The following plan is hereby formulated to carry out the decisions and plans of the CPC Central Committee and the State Council; to implement the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and the Opinions of the People's Bank of China (PBOC), China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission (CSRC), and State Administration of Foreign Exchange (SAFE) on Financial Support for the Guangdong-Hong Kong-Macao Greater Bay Area (Yinfa [2020] No. 95.) ("Circular No. 95"); and, according to the overarching goal of supporting the real economy, promoting cooperation and mutual benefit, being market-oriented, and preventing systemic financial risks, to further promote financial opening and innovation, financial cooperation between the Chinese mainland ("Mainland") and Hong Kong and Macao, the financial support to the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), and the supporting and pioneering role of GBA in China's economic development and opening-up.

- II. Facilitating cross-border trade, investment, and financing in GBA as well as improving the convenience of foreign currency exchange and cross border circulation
- 5. Introducing more in-depth trade and investment facilitation pilots. We will support banks in the Domestic GBA (referring here and hereinafter to the nine Pearl River Delta cities in the Mainland) with prudent and compliant business operations to apply simplified procedures to process the trade incomes and expenditures of qualified enterprises, further simplify the processes for cross-border RMB transactions, facilitate trade and investment, and improve the business environment.
- 6. Improving foreign exchange control in new business models. For Domestic GBA residents who engage in market procurement trade, cross-border e-commerce, or other new forms of trade and have obtained foreign trade licenses and completed industrial and commercial registration or other business-opening processes, we will support them to open personal foreign exchange settlement accounts at Domestic GBA banks (referring here and hereinafter to banks in the nine Pearl River Delta cities, excluding their Hong Kong and Macao branches), and to purchase and sell foreign currencies in accordance with the relevant documents they hold.

- Facilitating cross-border trade, investment, and financing in GBA as well as improving the convenience of foreign currency exchange and cross border circulation
- (I) Introducing more in-depth trade and investment facilitation pilots.
- 1. We will expand the more in-depth pilot programs on trade and investment facilitation in Guangdong Pilot Free-Trade Zone ("GD FTZ") to the Domestic GBA (referring here and hereinafter to the nine Pearl River Delta cities in the Mainland). We will support Domestic GBA banks to directly exchange RMB funds for payment in cross-border trades and services of domestic enterprises, and to process the domestic payment and use of funds from foreign direct investments, cross-border financing, and overseas listings, according to the payment instructions of the relevant enterprises and provided "Know Your Customer, Know Your Business, and Due Diligence" obligations are fulfilled. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Subbranch)
- 2. We will encourage qualified banks in Domestic GBA to offer, on a pilot basis, ways to facilitate foreign-currency receipts and payments in trades, and support more creditworthy, well-managed market participants in GBA to benefit from the convenient trade settlement process offered by the pilots (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- (II) Improving foreign exchange control in new business models.
- 3. For Domestic GBA residents who engage in market procurement trade, cross-border e-commerce, or other new forms of trade, we will support them to purchase and sell foreign currencies through their personal foreign exchange settlement accounts in accordance with the relevant documents they hold. We will support more banks to streamline the settlement procedures for personal trades to promote the market procurement trades and cross-border e-commerce of individuals, and will urge banks to adapt their business models and provide more convenient services to individuals by simplifying document review and service processes. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, Department of Commerce of Guangdong)

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- 7. Streamlining the capital account system. We will introduce pilot programs within the Domestic GBA that facilitate capital-account receipt and payment, simplify the exchange of foreign currency into RMB and payment management, improve operating procedures, and strengthen real-time and postevent supervision. Qualified non-bank debtors within Domestic GBA will be permitted to complete foreign debt deregistration directly at banks; time limit for foreign debt deregistration by Domestic GBA enterprises will be removed. We will support Domestic GBA banks to directly process the payment and receipt instructions of Domestic GBA enterprises for the domestic payment and use of cross-border RMB funds associated with direct investment, foreign debt, overseas listing, and other capital-account transactions, provided "Know Your Customer, Know Your Business, and Due Diligence" obligations are fulfilled.
- 8. Developing a GBA-aligned account management system. We will develop a unified, multi-currency bank account system that is suitable for GBA to streamline funds settlement in cross-border trade, investment, and financing activities. To improve account opening services, we will launch a pilot program for allowing Hong Kong and Macao residents to open Mainland Type II and Type III personal bank accounts through local bank outlets.

- (III) Streamlining the capital account system.
- 4. Qualified enterprises will be permitted to use foreign-currency incomes from capital-account transactions and RMB funds from the conversion of foreign currencies for domestic payments directly by providing receipt and payment instructions to qualified banks, without needing to submit, in advance, proof of the authenticity of each transaction. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 5. Qualified non-bank debtors within Domestic GBA will be permitted to complete foreign debt deregistration directly at banks; time limit for foreign debt deregistration by Domestic GBA enterprises will be removed. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- (IV) Developing a GBA-aligned account management system.
- 6. We will learn from the experiences of the FT account pilot program and conduct separate accounting for FT accounts in a prudent manner. (Authorities-incharge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office)
- 7. We will steadily advance the pilot program for a unified, multi-currency bank account system and, in accordance with PBOC Head Office's decisions, formulate relevant rules and plans. We will further support Hong Kong and Macao residents to open Mainland Type II and Type III personal bank accounts through local bank outlets, monitor and evaluate the operation of the pilot program, and, under the guidance of PBOC Head Office, gradually expand the pilot program to more banks and regions. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office)

- 9. Exploring the cross-border wealth management connect scheme. We will support Domestic GBA residents to purchase wealth management products sold by Hong Kong and Macao banks through those banks, and Hong Kong and Macao residents to purchase wealth management products sold by Domestic banks through Domestic GBA banks.
- 10. Launching the pilot program for cross-border multi-currency capital pooling. Cross-border multi-currency capital pooling will be piloted in Domestic GBA to facilitate the balancing and aggregation of RMB and foreign-currency funds among the domestic and overseas members of multinational corporations. We will permit the need-based conversion between RMB and foreign-currency funds within a capital pool and implement macro-prudential supervision of the cross-border capital pooling program.
- 11. Supporting banks to engage in cross-border lending. We will support Domestic GBA banks to issue loans to institutions and projects in Hong Kong and Macao under a macro-prudential framework. We will support domestic branches of Hong Kong and Macao banks to provide loan services for GBA projects.

- (V) Exploring the cross-border wealth management connect scheme.
- 8. We will support Domestic GBA residents to purchase wealth management products sold by Hong Kong and Macao banks through those banks, and Hong Kong and Macao residents to purchase wealth management products sold by Domestic banks through Domestic GBA banks. We will help make preparations for the pilot Wealth Management Connect program, seek policy supports, and facilitate the implementation of the pilot program. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)
- (VI) Launching the pilot program for cross-border multicurrency capital pooling.
- 9. We will promote the pilot program for cross-border multi-currency capital pooling. We will support qualified multinational corporations in Domestic GBA to pilot the cross-border multi-currency capital pooling to facilitate the allocation and aggregation of RMB and foreign-currency funds among their domestic and overseas members. We will implement macro-prudential supervision of the cross-border capital pooling program. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office)
- (VII) Supporting banks to engage in cross-border lending.
- 10. We will support Domestic GBA banks to engage in cross-border RMB lending. We will support these banks to issue loans to institutions and projects in Hong Kong and Macao under a macro-prudential framework. We will support Mainland branches of Hong Kong and Macao banks to provide loan services for GBA projects. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office)
- 11. We will support cities in Domestic GBA to carry out real property cross-border mortgage registration, and allow Hong Kong and Macao residents to mortgage self-occupied residences they have purchased in Domestic GBA to overseas banks to help them purchase real properties in Domestic GBA (Authorities-in-charge: Municipal governments of the nine Pearl River Delta cities)

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- 12. Expanding the pilot program for cross-border asset transfer. We will seek to expand the types of asset eligible for cross-border transfers and place them under the full-coverage macro-prudential supervisory framework for cross-border financing. Financial institutions in Domestic GBA will also be supported to conduct cross-border transfers of trade finance assets and related businesses, provided such activities promote commercial sustainability and meet risk management requirements.
- 13. Supporting the establishment of RMB overseas investment and loan funds. We will support institutions in Guangdong, Hong Kong, and Macao to jointly establish RMB overseas investment funds. These funds will be incorporated into the statistics of overseas RMB fund business and will raise RMB funds from institutions and individuals from the Mainland, Hong Kong, Macao, and overseas regions, in order to finance investments and mergers and acquisitions by the "going global" Chinese companies and support the Belt and Road Initiative ("BRI").
- 14. Supporting Mainland non-bank financial institutions to conduct businesses in Hong Kong and Macao. We will support institutions including financial leasing companies, automobile finance companies, securities firms, fund management companies, futures firms, and insurance companies in Domestic GBA to use RMB for pricing and settlement in cross-border financing, cross-border guarantee, and cross-border asset transfers. We will also gradually support qualified financial companies, securities brokerages, and other non-bank financial institutions in Domestic GBA to offer real-time foreign exchange services as well as RMB and foreign-currency derivative-related services.

- (VIII) Expanding the pilot program for cross-border asset transfer.
- 12. We will support financial institutions in Domestic GBA to conduct orderly cross-border transfers of trade finance assets and related businesses, provided such activities promote commercial sustainability and meet risk management requirements. We will seek to expand the range of RMB-settled cross-border transfers and types of eligible assets for these transfers, and place these transactions and assets under the full-coverage macro-prudential supervisory framework for crossborder financing. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- (IX) Supporting the creation of RMB outbound credit investment funds.
- 13. We will promote the creation of RMB outbound credit investment funds and raise RMB funds from institutions and individuals from the Mainland, Hong Kong, Macao, and overseas regions, in order to provide investment and financing services to the "going global" Chinese companies. (Authoritiesin-charge: Provincial and local financial regulators in Guangdong, PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office)
- (X) Supporting Mainland non-bank financial institutions to conduct business in Hong Kong and Macao.
- 14. We will support institutions including financial leasing companies, automobile finance companies, securities firms, fund management companies, futures firms, and insurance companies in Domestic GBA to use RMB for pricing and settlement in cross-border financing, cross-border guarantee, and cross-border asset transfers. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 15. We will support qualified financial companies, securities brokerages, and other non-bank financial institutions in Domestic GBA to apply to the state administration of foreign exchange for foreign exchange licenses. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Subbranch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

- 15. Launching a pilot program for cross-border investment of private equity funds. We will permit institutional investors in Hong Kong and Macao to invest in private equity funds and venture capital enterprises (funds) in Domestic GBA through the Qualified Foreign Limited Partner (QFLP) program. We will gradually advance the pilot programs for Qualified Domestic Limited Partner (QDLP) and Qualified Domestic Investment Enterprise (QDIE), and support Mainland private equity funds to invest overseas. We will subject the aforesaid QFLP and QDLP/QDIE pilot programs to macro-prudential supervision; We will have Mainland regulatory authorities develop a sound joint review system to strengthen real-time and post-event supervision of such pilot programs. We will duly make countercyclical adjustments in view of receipts and payments to prevent cross-border capital flow risks.
- 16. Improving the management of and services for insurance-related cross-border receipt and payment. For insurance businesses that meet the requirements of banking and insurance regulatory authorities and the prevailing foreign exchange policies, we will further facilitate Domestic GBA banks in providing cross-border remittance services for funds from such activities as claim settlement, policy renewal, and surrender to Mainland residents who have purchased insurance products from Hong Kong and Macao. We will encourage the inflow of RMB insurance capital from Hong Kong and Macao to the Mainland. We will support Hong Kong and Macao insurance companies to legally obtain the RMB Qualified Foreign Institutional Investor (RQFII) and Qualified Foreign Institutional Investor (QFII) status to finance GBA projects.

- (XI) Launching a pilot program for cross-border investment of private equity funds
- 16. We will support the Qualified Foreign Limited Partner (QFLP) program and devise innovative methods to attract low-cost overseas capital to support GBA development. We will support institutional investors in Hong Kong and Macao to invest in private equity funds and venture capital enterprises (funds) in Domestic GBA through the QFLP program. We will place the QFLP program under macro-prudential supervision. (Authorities-in-charge: Provincial and local financial regulators in Guangdong, PBOC Guangzhou Branch, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CSRC Shenzhen Office, municipal governments of the nine Pearl River Delta cities)
- 17. We will support Mainland private equity funds to invest overseas. We will support Guangzhou and Zhuhai to pilot the Qualified Foreign Limited Partner (QDLP) and (Qualified Domestic Investment Enterprise) QDIE programs in GD FTZ's Nansha and Hengqin areas. We will continue to advance the QDIE pilot in Shenzhen, and exercise macroprudential supervision over QDLP/QDIE pilots. (Authorities-in-charge: Provincial and local financial regulators in Guangdong, PBOC Guangzhou Branch, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CSRC Shenzhen Office, municipal governments of Guangzhou, Shenzhen, and Zhuhai)

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- 15. Launching a pilot program for cross-border investment of private equity funds. We will permit institutional investors in Hong Kong and Macao to invest in private equity funds and venture capital enterprises (funds) in Domestic GBA through the Qualified Foreign Limited Partner (QFLP) program. We will gradually advance the pilot programs for Qualified Domestic Limited Partner (QDLP) and Qualified Domestic Investment Enterprise (QDIE), and support Mainland private equity funds to invest overseas. We will subject the aforesaid QFLP and QDLP/QDIE pilot programs to macro-prudential supervision; We will have Mainland regulatory authorities develop a sound joint review system to strengthen real-time and post-event supervision of such pilot programs. We will duly make countercyclical adjustments in view of receipts and payments to prevent cross-border capital flow risks.
- 16. Improving the management of and services for insurance-related cross-border receipt and payment. For insurance businesses that meet the requirements of banking and insurance regulatory authorities and the prevailing foreign exchange policies, we will further facilitate Domestic GBA banks in providing cross-border remittance services for funds from such activities as claim settlement, policy renewal, and surrender to Mainland residents who have purchased insurance products from Hong Kong and Macao. We will encourage the inflow of RMB insurance capital from Hong Kong and Macao to the Mainland. We will support Hong Kong and Macao insurance companies to legally obtain the RMB Qualified Foreign Institutional Investor (RQFII) and Qualified Foreign Institutional Investor (QFII) status to finance GBA projects.

- (XII) Improving the management of and services for insurance-related cross-border receipt and payment.
- 18. For insurance businesses that comply with the rules of banking and insurance regulatory authorities and the prevailing foreign exchange policies, including current-account transactions such as accident insurance, medical insurance, and non-participating health insurance bought by Mainland residents for tourism, studying abroad, and business activities in Hong Kong and Macao, we will introduce clearer policies and guidelines to facilitate Domestic GBA banks in providing cross-border remittance services for funds from such activities as claim settlement, policy renewal, and surrender. (Authoritiesin-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office)
- 19. We will, subject to applicable laws and regulations, encourage the inflow of RMB insurance capital from Hong Kong and Macao to the Mainland to provide mid and long-term funds for GBA projects. We will support Hong Kong and Macao insurance companies to obtain the RMB Qualified Foreign Institutional Investor (RQFII) and Qualified Foreign Institutional Investor (QFII) status to finance GBA projects. (Authorities-in-charge: CSRC Guangdong Office, CSRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, CBIRC Guangdong Office, CBIRC Shenzhen Office)

- III. Promoting financial opening and financial cooperation between the Mainland and Hong Kong and Macao
- 17. Opening the banking sector. We will actively support banks and other financial institutions in Hong Kong and Macao to expand to the Domestic GBA. We will support qualified banks to do business in GBA through newly established legal entities, branches, special institutions, and other forms of organization; overseas banks to set up both branches and subsidiaries in Domestic GBA: and commercial banks to sponsor financial asset investment companies and wealth management companies in Domestic GBA which will not be subject to foreign shareholding caps. Foreign investors will be encouraged to invest in Domestic GBA-based financial institutions such as trust companies. We will aim to establish a GBA international commercial bank in the China (Guangdong) Pilot Free-Trade Zone.
- II. Promoting financial opening and financial cooperation between the Mainland and Hong Kong and Macao
- (XIII) Opening the banking sector.
- 20. We will further open the banking sector by implementing a new round of opening-up initiatives; promote policies and market access guidance; support qualified Hong Kong and Macao banks to do business in GBA through newly established corporations, branches, special institutions, and other forms of organization; and improve the regulatory framework to afford equal treatment to domestic and overseas entities in order to regulate their cooperation and competition. (Authorities-incharge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)
- 21. We will support and guide Hong Kong and Macaobased banks to expand their business in the Domestic GBA by taking advantage of synergy in GBA as well as frameworks such as the Closer Economic Partnership Arrangement between Mainland and Hong Kong and Macao (CEPA), GD FTZ, and GBA initiative. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)
- 22. We will support overseas banks to set up both subsidiaries and branches in Domestic GBA (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)
- 23. We will support commercial banks to sponsor financial asset investment companies and wealth management companies which will not be subject to foreign shareholding caps. We will support overseas financial institutions to co-establish or invest in the wealth management subsidiaries of commercial banks. We will explore ways for the qualified wealth management subsidiaries of commercial banks to establish specialized investment subsidiaries in Domestic GBA as necessary and for qualified financial asset investment companies to set up specialized investment subsidiaries in Domestic GBA. We will encourage overseas investors to invest in trust companies and other financial institutions in Domestic GBA. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)

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- III. Promoting financial opening and financial cooperation between the Mainland and Hong Kong and Macao
- 17. Opening the banking sector. We will actively support banks and other financial institutions in Hong Kong and Macao to expand to the Domestic GBA. We will support qualified banks to do business in GBA through newly established legal entities, branches, special institutions, and other forms of organization; overseas banks to set up both branches and subsidiaries in Domestic GBA; and commercial banks to sponsor financial asset investment companies and wealth management companies in Domestic GBA which will not be subject to foreign shareholding caps. Foreign investors will be encouraged to invest in Domestic GBA-based financial institutions such as trust companies. We will aim to establish a GBA international commercial bank in the China (Guangdong) Pilot Free-Trade Zone.
- II. Promoting financial opening and financial cooperation between the Mainland and Hong Kong and Macao
- (XIII) Opening the banking sector.
- 24. We will encourage banking financial institutions such as trust, financial leasing, automobile finance, money broking, and consumer finance companies to attract overseas professional investors.

 (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and provincial and local financial regulators in Guangdong)
- 25. We will accelerate the creation of a GBA international commercial bank in GD FTZ, connect domestic and overseas financial markets through a rule-based framework, and explore forward-looking operating models for banks that use the latest financial technologies. (Authorities-incharge: Provincial and local financial regulators in Guangdong, CBIRC Guangdong Office, PBOC Guangzhou Branch, Guangzhou Municipal Government)

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- 18. Opening the securities sector. We will support the orderly establishment of foreign-controlled securities firms, fund management companies, and futures firms in Domestic GBA. The scope of permissible activities of joint venture securities companies will be expanded. Foreign exchange administrations will work with securities regulatory authorities to allow securities and futures brokerages to engage in cross-border businesses on a pilot basis. We will support Hong Kong- and Macao-based private equity funds to finance innovative enterprises in GBA, and encourage qualified innovative enterprises to raise capital and seek public listings in Hong Kong and Macao.
- (XIV) Opening the securities sector.
- 26. We will attract more domestic and overseas securities financial institutions to the GBA and Hong Kong, Macao, and multi-national financial institutions to establish securities, fund, and futures joint ventures in Guangdong, in order to further open the GBA securities sector to overseas investors. (Authorities-in-charge: CSRC Guangdong Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 27. We will develop a pilot program in GBA for permitting securities and futures institutions to engage in cross-border businesses. (Authorities-incharge: PBOC Guangzhou Branch, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CSRC Shenzhen Office)
- 28. We will support securities, fund, and futures corporations in Domestic GBA to raise capital by issuing new shares or listing in domestic or overseas markets to strengthen their financial soundness. (Authorities-in-charge: CSRC Guangdong Office, CSRC Shenzhen Office, Shenzhen Stock Exchange)
- 29. We will support the securities, fund, and futures corporations in GBA to obtain the RMB Qualified Foreign Institutional Investor (RQFII), Qualified Foreign Institutional Investor (QFII), or Qualified Domestic Institutional Investor (QDII) status to become more international. We will support the overseas subsidiaries of Domestic GBA-based securities firms and fund management companies to serve as investment advisors for the QDII products offered by those firms and companies. (Authorities-in-charge: CSRC Guangdong Office, CSRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 30. We will support securities firms in Domestic GBA to engage in mergers and acquisitions and overseas business and to actively develop diverse, differentiated financial products and instruments. We will further implement various supportive polices to build them into internationally competitive investment banks. (Authorities-incharge: CSRC Guangdong Office, CSRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 31. We will support fund management companies in Domestic GBA to engage in investment advisory, expand the range of equity-based products, and take an active part in various pilot programs such as public real estate investment trusts (REITs) and the mutual recognition of fund products, so as to shape them into first-rate wealth management institutions. (Authorities-in-charge: CSRC Guangdong Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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- 19. Opening the insurance sector. We will support the establishment of foreign-controlled life and health insurance companies, and of foreigninvested insurance groups, reinsurers, insurance agencies, and insurance assessment companies, in Domestic GBA. We will support qualified Hong Kong and Macao insurers to operate in Qianhai, Shenzhen; Nansha, Guangzhou; and Hengqin, Zhuhai. We will encourage private capital to fund new insurance entities in Domestic GBA, and support insurance companies to establish head offices for asset management, operations, research and development, logistical support, and data and information in GBA. We will support insurers in Guangdong, Hong Kong, and Macao to jointly develop innovative products such as crossborder medical insurance, and to provide more expedient underwriting, claim verification, and claim settlement services. The cross-border motor vehicle insurance framework will be improved, such that the policy of "equivalence-based recognition of insurance" will apply to vehicles traveling from Hong Kong and Macao to Guangdong via the Hong Kong-Zhuhai-Macao Bridge. In particular, for such vehicles, policies issued by Hong Kong- and Macaobased insurance companies will be expanded in scope of coverage to third-party liabilities in the Mainland, and will be treated as compulsory third-party liability insurance in the Mainland. We will study ways of supporting the insurance industries of Hong Kong and Macao to establish after-sales service centers in Domestic GBA under the framework of the Closer Economic Partnership Arrangement between Mainland and Hong Kong and Macao. We will support insurers in Domestic GBA and insurers in Hong Kong and Macao to engage in cross-border RMB reinsurance.
- (XV) Opening the insurance sector.
- 32. We will duly carry out CBIRC's opening-up plans; provide effective policy interpretation, communication, coordination, and guidance; further open the insurance sector to overseas investors, and support qualified Hong Kong and Macao insurers to establish business entities in Domestic GBA. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 33. We will encourage insurance asset management companies to set up specialized asset management subsidiaries in Domestic GBA. We will explore ways for insurance asset management companies to invest in Domestic GBA-based overseas asset management institutions and other wealth management companies. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, provincial and local financial regulators in Guangdong)
- 34. We will improve the cross-border motor vehicle insurance framework and seek policy support from CBIRC, Ministry of Public Security, and other governmental departments and ministries to promote the application of the policy of "equivalence-based recognition of insurance" to vehicles traveling from Hong Kong and Macao to Guangdong via the Hong Kong-Zhuhai-Macao Bridge. In particular, for such vehicles, policies issued by Hong Kong- and Macaobased insurance companies will be expanded in scope of coverage to third-party liabilities in the Mainland, and will be treated as compulsory third-party liability insurance in the Mainland. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, Public Security Department of Guangdong)
- 35. We will support insurers in Guangdong, Hong Kong, and Macao to jointly develop innovative products such as cross-border medical insurance, and to provide more expedient underwriting, claim verification, and claim settlement services to customers. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)

- 19. Opening the insurance sector. We will support the establishment of foreign-controlled life and health insurance companies, and of foreigninvested insurance groups, reinsurers, insurance agencies, and insurance assessment companies, in Domestic GBA. We will support qualified Hong Kong and Macao insurers to operate in Qianhai, Shenzhen; Nansha, Guangzhou; and Hengqin, Zhuhai. We will encourage private capital to fund new insurance entities in Domestic GBA, and support insurance companies to establish head offices for asset management, operations, research and development, logistical support, and data and information in GBA. We will support insurers in Guangdong, Hong Kong, and Macao to jointly develop innovative products such as cross-border medical insurance, and to provide more expedient underwriting, claim verification, and claim settlement services. The cross-border motor vehicle insurance framework will be improved, such that the policy of "equivalence-based recognition of insurance" will apply to vehicles traveling from Hong Kong and Macao to Guangdong via the Hong Kong-Zhuhai-Macao Bridge. In particular, for such vehicles, policies issued by Hong Kong- and Macao-based insurance companies will be expanded in scope of coverage to third-party liabilities in the Mainland, and will be treated as compulsory third-party liability insurance in the Mainland. We will study ways of supporting the insurance industries of Hong Kong and Macao to establish after-sales service centers in Domestic GBA under the framework of the Closer Economic Partnership Arrangement between Mainland and Hong Kong and Macao. We will support insurers in Domestic GBA and insurers in Hong Kong and Macao to engage in cross-border RMB reinsurance.
- (XV) Opening the insurance sector.
- 36. We will encourage insurers to develop GBAexclusive critical illness products based on regional incidence tables and empirical health data. We will support the creation of a consumer-friendly medical insurance service platform which is to offer the insured in GBA with direct reimbursement, health management, disease prevention, and other services. We will strive to simplify the settlement of medical expenses and, therefore, improve the quality of healthcare services. (Authoritiesin-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, Health Commission of Guangdong, local financial regulators in Guangdong)
- 37. We will study ways of permitting Hong Kong- and Macao-based insurers to establish after-sales service centers under CEPA, to enable them to serve policyholders in GBA. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, provincial and local financial regulators in Guangdong, Hong Kong and Macao Affairs Office of the State Council)
- 38. We will support insurance assets to be invested in Hong Kong and Macao in compliance with laws and regulations, provided the associated risks kept at manageable levels. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 39. We will support insurers in Domestic GBA and insurers in Hong Kong and Macao to engage in cross-border RMB reinsurance to boost the development of the reinsurance market. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)

- IV. Promoting diversification of financing channels in Guangdong, Hong Kong, and Macao as well as interconnectivity of financial markets and financial infrastructures
- 20. Supporting and regulating the establishment of GBA-themed funds. We will support institutions in Guangdong, Hong Kong, and Macao to jointly set up GBA-themed funds and insurers and banks to invest in such funds with their insurance assets and proceeds from wealth management products, subject to their compliance with laws, regulations, and relevant rules. We will attract private capital from the Mainland, Hong Kong, Macao, and overseas regions to help fund infrastructure projects, industry modernization projects, and major projects in GBA.
- 21. Supporting non-investment enterprises to make equity investment on a pilot basis. Non-investment enterprises in Domestic GBA will be allowed to invest their RMB proceeds from capital-account transactions and foreign-currency sales in Mainland equities that are in line with their production and operational objectives. Enterprises participating in the pilot program may directly transfer funds to their investees, provided such transfers are compliant, are for bona fide purposes, and are corresponding to the actual size of investment.

- III. Promoting diversification of financing channels in Guangdong, Hong Kong, and Macao as well as interconnectivity of financial markets and financial infrastructures
- (XVI) Supporting and regulating the establishment of GBA-themed funds.
- 40. We will support institutions in Guangdong, Hong Kong, and Macao to jointly set up GBA-themed funds subject to relevant laws, regulations, and rules, and encourage insurers and banks to invest in such funds with their insurance assets and proceeds from wealth management products. We will attract private capital from Hong Kong, Macao, and overseas regions to the pilot program of infrastructure REITs as well as GBA projects, so as to provide long-term, stable financial support for infrastructures, modern industries, and major projects. (Authorities-in-charge: Provincial and local financial regulators in Guangdong, PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, CBIRC Guangdong Office, CSRC Guangdong Office, CBIRC Shenzhen Office, CSRC Shenzhen Office, Development and Reform Commission of Guangdong, GBA Affairs Office)
- (XVII) Supporting non-investment enterprises to make equity investment on a pilot basis.
- 41. Enterprises in Domestic GBA will be allowed to legally invest their RMB proceeds from capital-account transactions and foreign-currency sales in Mainland equities that are in line with their production and operational objectives. Enterprises participating in the pilot program may directly transfer funds to their investees, provided such transfers are compliant, are for bona fide purposes, and are corresponding to the actual size of investment. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)

- 22. Gradually enhancing the interconnectivity of financial markets and financial infrastructures of Guangdong, Hong Kong, and Macao. We will gradually permit RMB clearing houses in Hong Kong and Macao to enter the Mainland interbank lending market. We will improve market connectivity programs including the Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect, and Bond Connect (including the time of launch of Southbound Trading for Bond Connect). We will support qualified Hong Kong and Macao-based financial institutions and non-financial enterprises to issue financial bonds, corporate bonds, and debt financing instruments in the Mainland, and gradually broaden the range of permissible issuers and issuance instruments and currencies. We will promote cross-border cooperation in credit rating services by supporting rating agencies in Guangdong, Hong Kong, and Macao in areas of collaboration, mutual recognition of credit ratings, and provision of rating services in GBA.
- 23. Fostering the offshore RMB market. We will support Hong Kong and Macao to grow their offshore RMB market, strengthen Hong Kong's position as a global center for offshore RMB businesses, and support Hong Kong to develop more offshore RMB products, commodity products, and other risk management tools. We will gradually expand the scale and scope of cross-border use of RMB in GBA and facilitate the cross-border flow and exchange of RMB in GBA.

- (XVIII) Gradually enhancing the interconnectivity of financial markets and financial infrastructures of Guangdong, Hong Kong, and Macao.
- 42. We will support RMB clearing houses in Hong Kong and Macao to enter and be more involved in the Mainland interbank lending market. (Authoritiesin-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 43. We will support Shenzhen Stock Exchange to implement market connectivity programs with overseas markets, and encourage it to support GBA projects through its bond market. (Authorities-in-charge: Shenzhen Stock Exchange, PBOC Shenzhen Central Sub-branch)
- 44. We will encourage cooperation between financial institutions in Guangdong and those in Hong Kong and Macao to provide full-range financial services to Hong Kong and Macao market participants that pursue debt financing in the Mainland. We will actively develop the Southbound Trading policies for the Bond Connect. (Authorities-in-charge: PBOC Guangzhou Branch, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CSRC Shenzhen Office, Shenzhen Stock Exchange)
- 45. We will support Guangdong-based credit reporting and rating agencies to expand to overseas markets and open branches in Hong Kong and Macao. Guangdong, Hong Kong, and Macao regulators are to work together to facilitate the mutual recognition of credit-reporting products and ratings, and to update the loan procedures and credit evaluation models to so that credit reports and ratings are recognized throughout GBA. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, provincial and local financial regulators in Guangdong)

(XIX) Fostering the offshore RMB market.

- 46. We will support Hong Kong and Macao to grow their offshore RMB market, strengthen Hong Kong's position as a center for offshore RMB, and support Hong Kong to develop more offshore RMB products, commodity products, and other risk management tools. We will explore ways of permitting local governments to issue offshore-RMB denominated bonds in Hong Kong and Macao. (Authorities-incharge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, Department of Finance of Guangdong, Development and Reform Commission of Guangdong)
- 47. We will gradually expand the scale and scope of cross-border use of RMB in GBA and facilitate the cross-border flow and exchange of RMB in GBA. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)

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- 24. Promoting cooperation in green finance in GBA. Frameworks for green finance cooperation in GBA will be created with the support of the Guangzhou Green Finance Reform and Innovation Pilot Zone. We will also build on the Guangzhou Carbon Emission Exchange (i.e., China Emissions Exchange (Guangzhou)) to create a platform for environmental rights trading and related financial services for GBA. The pilot program for foreign-currency carbon trading will be launched, whereby overseas investors (both institutions and individuals) that pass the review of Guangzhou Carbon Trading Center Co., Ltd. may participate in carbon trading in Domestic GBA using either foreign currencies or RMB. We will seek to establish the Guangzhou Futures Exchange and uniform green finance standards in GBA. We will encourage more enterprises in GBA to finance and certify their green projects in Hong Kong and Macao, and support Guangdong-based financial corporations to issue green bonds and other green finance products in those regions, the proceeds from which are to support green enterprises and projects in GBA. We will help build Hong Kong into a green finance center in GBA and foster internationally recognized green bond certification agencies.
- (XX) Promoting cooperation in green finance in GBA.
- 48. We will support financial institutions in Hong Kong and Macao to take part in the building of the Guangzhou Green Finance Reform and Innovation Pilot Zone. With the support of the Zone, we will create a green finance cooperation platform in GBA to promote and replicate green finance innovations throughout GBA. We will support Shenzhen in its bid to be designated as a green finance reform and innovation pilot zone. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong, municipal governments of Guangzhou and Shenzhen)
- 49. We will propel the creation of a GBA-based green finance alliance; set up an information platform for the financial sectors and enterprises in Hong Kong, Macao, and Guangdong; and aggregate financial resources in the three localities to support the green industries in GBA. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 50. We will build on the Guangzhou Carbon Emission Exchange (i.e., China Emissions Exchange (Guangzhou)) to create a platform for environmental rights trading and related financial services for GBA. We will, with the support of carbon trading platforms in Guangdong, launch the pilot program for foreign-currency carbon trading, drive innovation in carbon finance, support qualified overseas investors to participate in carbon trading in Domestic GBA using foreign currencies, and encourage ordinary overseas investors to do so using RMB (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, Guangzhou Municipal Government, provincial and local financial regulators in Guangdong)
- 51. We will speed up the establishment of the Guangzhou Futures Exchange. We will put in place safeguards for its preparation and operation, continuously develop products to be listed there, and build it into a key financial infrastructure for GBA. (Authorities-in-charge: Guangzhou Municipal Government, CSRC Guangdong Office, provincial and local financial regulators in Guangdong)

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- 24. Promoting cooperation in green finance in GBA. Frameworks for green finance cooperation in GBA will be created with the support of the Guangzhou Green Finance Reform and Innovation Pilot Zone. We will also build on the Guangzhou Carbon Emission Exchange (i.e., China Emissions Exchange (Guangzhou)) to create a platform for environmental rights trading and related financial services for GBA. The pilot program for foreign-currency carbon trading will be launched, whereby overseas investors (both institutions and individuals) that pass the review of Guangzhou Carbon Trading Center Co., Ltd. may participate in carbon trading in Domestic GBA using either foreign currencies or RMB. We will seek to establish the Guangzhou Futures Exchange and uniform green finance standards in GBA. We will encourage more enterprises in GBA to finance and certify their green projects in Hong Kong and Macao, and support Guangdong-based financial corporations to issue green bonds and other green finance products in those regions, the proceeds from which are to support green enterprises and projects in GBA. We will help build Hong Kong into a green finance center in GBA and foster internationally recognized green bond certification agencies.
- (XX) Promoting cooperation in green finance in GBA.
- 52. We will empower financial institutes, financial trade organizations, and public institutions in Guangdong, Hong Kong, and Macao to help enhance the coordination and collaboration in the development of green finance standards, in order to create a set of uniform standards on green finance products, certification systems, and evaluation systems in GBA. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong, Department of Ecological and Environmental Protection of Guangdong)
- 53. We will support enterprises in GBA to issue certified and green-label bonds in Hong Kong and Macao, and Guangdong-based financial corporations to issue green bonds and other green finance products in the two regions to fund green industries and projects in GBA. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, **CSRC Shenzhen Office**)
- 54. We will develop financial service guidelines for the green supply chain and explore green supply chain financing programs in automobile manufacturing and other sectors. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 55. We will encourage banks, insurers, securities firms, and fund management companies to develop innovative green finance products and services; to ramp up financial support for major sectors in GBA including green manufacturing, energy efficiency and environmental protection, clean energy, green building, and resources recycling; to expand the size of green credit; and to enhance their risk management capabilities. (Authoritiesin-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, CBIRC Guangdong Office, CBIRC Shenzhen Office, CSRC Guangdong Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

- 25. Supporting Hong Kong and Macao to develop specialized financial services. Building on the leadership role of Hong Kong in the financial domain, we will reinforce its status as an international center for asset management and risk management, build BRI-oriented investment and financing platforms, and empower it to provide investment, financing, and consulting services for the "going global" Mainland enterprises. We will help Macao build financial services platforms for China and Portuguese-speaking countries, establish an export credit insurance framework, and shape Macao into the RMB clearing center for Portuguese-speaking countries. We will empower Macao to facilitate financial cooperation between China and Portuguese-speaking countries, support its leasing and other specialized financial services, and accelerate the creation of the Guangdong-Macao Cross-Border Financial Cooperation (Zhuhai) Demonstration Zone. We will support Macao to join the Asian Infrastructure Investment Bank once it meets the membership requirements, and the Silk Road Fund and related financial institutions to set up branches in Hong Kong and Macao.
- (XXI) Supporting Hong Kong and Macao to develop specialized financial services.
- 56. We will reinforce Hong Kong's status as an international center for asset management and risk management, build BRI-oriented investment and financing platforms, and empower it to provide financing and consulting services for the "going global" Mainland enterprises. (Authoritiesin-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong, **Development and Reform Commission of** Guangdong, Department of Commerce of Guangdong)
- 57. We will help Macao build financial services platforms for China and Portuguese-speaking countries, shape it into the RMB clearing center for Portuguese-speaking countries, empower it to facilitate financial cooperation between China and Portuguese-speaking countries, and support its leasing and other specialized financial services. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 58. We will encourage banks to help Mainland enterprises meeting applicable requirements to issue bonds in Macao. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, Development and Reform Commission of Guangdong)
- 59. We will strive to pilot financial innovations in the Guangdong-Macao Cross-Border Financial Cooperation (Zhuhai) Demonstration Zone. We will support financial institutions from Zhuhai and Macao to jointly set up consumer finance companies in Henggin to help develop the consumer financial service systems of the two regions and build Macao into an international tourism and leisure center and Henggin into an international tourism and leisure island. We will support Macao to join the Asian Infrastructure Investment Bank once it meets the membership requirements, and the Silk Road Fund and related financial institutions to set up branches in Hong Kong and Macao. (Authorities-in-charge: Provincial and local financial regulators in Guangdong, PBOC Guangzhou Branch, CBIRC Guangdong Office, Zhuhai Municipal Government)

V. Enhancing financial services and innovation in GBA

26. Aligning financial services with technological innovation. For Domestic GBA banks that are able to maintain legal compliance and keep risks at manageable levels, we will support them in working more closely with overseas venture capitalists; finding new ways to support technological progress through financial services; establishing a diversified, international, and cross-regional investment and financing framework as well as a financial support platform for technological innovation; and promoting the commercialization of technological advancements. We will facilitate cross-border capital flow by venture capital funds and cross-border remittance of incomes in the technology industry. Subject to the laws and regulations of Guangdong, Hong Kong, and Macao, we will encourage the financial industry to develop innovative service models for the technology industry; build big data infrastructures in GBA; and focus on urban services such as financial, healthcare, transport, community, and school campus services.

IV. Enhancing financial services and innovation in GBA

- (XXII) Aligning financial services with technological innovation.
- 60. We will facilitate high-tech enterprises to use foreign loans within a certain limit. (Authorities-in-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)
- 61. We will support financial institutions to develop diversified business models such as IP-backed financing; support banks to offer tech companies medium- and long-term R&D loans secured by intellectual properties (IP), and explore ways of granting medium- and long-term unsecured loans to innovative projects and startups of top talents named in a national talent program.

 (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, Guangdong Administration for Market Regulation)
- 62. We will support insurance assets and qualified asset management products to invest in venture capital funds, equity funds, and other investment vehicles targeting technology companies to provide more financing channels to these companies. For Domestic GBA banking institutions that are able to maintain legal compliance and keep risks at manageable levels, we will support them in working more closely with overseas venture capitals; issuing outbound loans in a prudent manner; and finding new ways to support technological progress through financial services. We will support private equity funds in Hong Kong and Macao to finance innovative technology companies in GBA, and promote the creation of a diversified, international, and cross-regional investment and financing framework for technological innovation. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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V. Enhancing financial services and innovation in GBA

26. Aligning financial services with technological innovation. For Domestic GBA banks that are able to maintain legal compliance and keep risks at manageable levels, we will support them in working more closely with overseas venture capitalists; finding new ways to support technological progress through financial services; establishing a diversified, international, and cross-regional investment and financing framework as well as a financial support platform for technological innovation; and promoting the commercialization of technological advancements. We will facilitate cross-border capital flow by venture capital funds and cross-border remittance of incomes in the technology industry. Subject to the laws and regulations of Guangdong, Hong Kong, and Macao, we will encourage the financial industry to develop innovative service models for the technology industry; build big data infrastructures in GBA; and focus on urban services such as financial, healthcare, transport, community, and school campus services.

IV. Enhancing financial services and innovation

- (XXII) Aligning financial services with technological innovation.
- 63. We will capitalize on Shenzhen Stock Exchange's pilot program for registration-based IPO, to help innovative startups in GBA to become bigger and stronger through the capital market. We will build a national exchange market for intellectual property rights, including technological IPs, at the Shenzhen Stock Exchange, to facilitate the linkage between capital and the commercialization of research results. (Authorities-in-charge: Shenzhen Stock Exchange, provincial and local financial regulators in Guangdong, CSRC Guangdong Office, CSRC Shenzhen Office, municipal governments of the nine Pearl River Delta cities)
- 64. We will encourage banks and insurers to provide greater support to strategic emerging industries, advanced manufacturing, and technology and innovation projects based on the characteristics of local industries. (Authorities-in-charge: CBIRC Guangdong Office, CBIRC Shenzhen Office)

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- 27. Vigorously promoting financial technology. We will strengthen fintech-related cooperation projects and create enabling factors for fintech in GBA. With full regard given to legal and compliance requirements and the choice of individual businesses, we will establish a blockchain-based trade finance information service platform so that participating banks can exchange crossborder trade information electronically, securely, and reliably. We will support the development of blockchain, big data, artificial intelligence, and other innovative technologies and the application of proven solutions in marketing and sales activities, risk prevention programs, and financial regulation in Domestic GBA. We will facilitate Hong Kong and Macao residents to make RMB payments in the Mainland through mobile payment tools, and help ensure such tools are all generally usable in GBA. We will support non-bank payment processors in the Mainland to expand their businesses in Hong Kong and Macao.
- (XXIII) Vigorously promoting financial technology.
- 65. We will further expand the scope of the pilot program for cross-border financial blockchain service platform to broaden application scenarios, create a credit service system for cross-border financing, provide convenient trade and investment services to market participants, and improve the quality of foreign exchange services. (Authoritiesin-charge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch, provincial and local financial regulators in Guangdong)
- 66. We will explore the synergistic application of blockchain technology among financial institutions. We will encourage all of them to take part in the blockchain-based application system, conduct indepth research on data sharing within the industry, and allow the sharing and legal use of user data if data privacy can be assured. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 67. We will encourage financial institutions to use information technologies such as the internet, big data, and cloud computing more extensively to enhance loan procedures and credit evaluation models and to create data-driven, automated, and intelligent financial service models. (Authoritiesin-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 68. We will help financial institutions improve IT governance; strengthen IT infrastructures, cybersecurity, and protection of client information; and increase their preparedness for emergencies and disasters, in order to ensure business continuity and operational safety. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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- (XXIII) Vigorously promoting financial technology.
- 69. We will continue to promote the wider application of mobile payment in smart transportation, smart living, smart healthcare, smart senior services, and other key aspects of urban- and rural-living in GBA; committed to making cross-border payment ever easier in public transportation and other scenarios in GBA; and never cease to provide better, safer, and more professional financial services in GBA. We will make it easier for foreigners to make payments in the Mainland with their mobile phones, and Mainland non-bank payment processors to expand to Hong Kong and Macao. (Authorities-incharge: PBOC Guangzhou Branch, PBOC Shenzhen Central Sub-branch)

27. Vigorously promoting financial technology. We will strengthen fintech-related cooperation projects and create the enabling factors for fintech in GBA. With full regard given to legal and compliance requirements and the choice of individual businesses, we will establish a blockchain-based trade finance information service platform so that participating banks can exchange crossborder trade information electronically, securely, and reliably. We will support the development of blockchain, big data, artificial intelligence, and other innovative technologies and the application of proven solutions in marketing and sales activities, risk prevention programs, and financial regulation in Domestic GBA. We will facilitate Hong Kong and Macao residents to make RMB payments in the Mainland through mobile payment tools, and help ensure such tools are all generally usable in GBA. We will support non-bank payment processors in the Mainland to expand their businesses in Hong Kong and Macao.

VI. Preventing cross-border financial risks

28. Strengthening cooperation between Guangdong, Hong Kong, and Macao in financial regulation. We will establish a coordination and communication mechanism for financial regulation in GBA, strengthen regulatory exchange between the three localities, and jointly resolve challenges in cross-border financial development and regulation. We will hasten the improvement of regulatory rules for innovation sectors and develop a regulatory sandbox for cross-border financial innovation projects. We will strengthen the supervisory duties of local authorities in the Mainland in preventing financial risks, and coordinate the prevention and resolution of cross-border financial risks. We will promote the training and knowledge exchange of financial professionals in Guangdong, Hong Kong, and Macao.

70. We will support fintech-related cooperation and industry exchange between Guangdong, Hong Kong, and Macao; and support fintech research projects and more extensive collaborations.

(Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

V. Preventing cross-border financial risks

(XXIV) Strengthening cooperation between Guangdong, Hong Kong, and Macao in financial regulation.

- 71. We will improve the coordination and communication mechanism with financial regulators in Hong Kong and Macao; and strengthen regulatory exchange and alignment among authorities in Guangdong, Hong Kong, and Macao with regard to information exchange, risk prevention, public wellbeing finance, and regulatory cooperation. We will improve the coordination, collaboration, and information exchange in crossborder financial regulation programs in GBA; and make such programs more collaborative, forwardlooking, and effective; in order to jointly safeguard financial stability and prevent systemic financial risks. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 72. We will hasten the improvement of regulatory rules for innovation sectors and develop a regulatory sandbox for cross-border financial innovation projects. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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- 28. Strengthening cooperation between Guangdong, Hong Kong, and Macao in financial regulation. We will establish a coordination and communication mechanism for financial regulation in GBA, strengthen regulatory exchange between the three localities, and jointly resolve challenges in cross-border financial development and regulation. We will hasten the improvement of regulatory rules for innovation sectors, develop a regulatory sandbox for cross-border financial innovation projects. We will strengthen the supervisory duties of local authorities in the Mainland in preventing financial risks, and coordinate the prevention and resolution of cross-border financial risks. We will promote the training and knowledge exchange of financial professionals in Guangdong, Hong Kong, and Macao.
- 29. Creating a financial risk warning, prevention, and resolution framework. We will strengthen the study of financial risks and the prevention of risks in key areas; and improve the comprehensive statistical system for the regional financial sector, the statistical system for economic and financial surveys, and analysis, monitoring, and risk warning system. The goal is to achieve the early and timely identification, warning, and resolution of financial risks, boost financial security, and improve emergency risk resolution mechanisms. We will bolster regulatory cooperation and information exchange between Guangdong, Hong Kong, and Macao in programs against money laundering, terrorist financing, and tax evasion. We will enhance cross-border cooperation in the regulation of financial institutions and in the monitoring and analysis of funds movements, supervise financial institutions to strengthen the monitoring of abnormal cross-border capital flows, and increase the effectiveness of programs targeting illegal financial activities such as cross-border money laundering.
- 73. We will promote the training and knowledge exchange of finance professionals in Guangdong, Hong Kong, and Macao; and introduce new or improved policies and administrative rules to attract finance professionals. We will support the import of top financial talent from Hong Kong and Macao by providing assistance in areas such as social benefits, schools for their children, and transportation and purchase of real properties. We will encourage and attract young financial talent from Hong Kong and Macao to intern and work in Domestic GBA cities. (Authorities-in-charge: Municipal governments of the nine Pearl River Delta cities)
- 74. We will strive to build financial think tanks in GBA with international and strategic perspectives. (Authorities-in-charge: Provincial and local financial regulators in Guangdong)
- (XXV) Creating a financial risk warning, prevention, and resolution framework.
- 75. We will strengthen coordination in financial regulation. We will further improve sharing of financial risk information among relevant authorities in Domestic GBA, issue timely financial risk warnings, and create an open, transparent, stable, and predictable regulatory framework aligned with international standards. We will refine the financial risk monitoring system in Domestic GBA; intensify the monitoring of risks in critical areas; ensure the early identification, warning, and resolution of risks; and take more forwardlooking, targeted, and effective preventive actions. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 76. We will enhance cross-border regulatory cooperation and information exchange on anti-money laundering, anti-terrorist financing, and anti-tax evasion in Guangdong, Hong Kong, and Macao. We will create more extensive antimoney laundering programs in the three localities, supervise financial institutions to strengthen the monitoring of abnormal cross-border capital flows, and evaluate money laundering risks from innovative cross-border financial programs and products. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

- 30. Strengthening the protection of financial consumers in Guangdong, Hong Kong, and Macao. We will supervise financial institutions to improve their customer protection frameworks and be held accountable for their performance in this area. The GBA system for protecting financial consumers will be improved. We will enhance collaboration among financial authorities and industry organizations in Guangdong, Hong Kong, and Macao to create a multi-layered system for resolving financial disputes that is aligned with international standards. We will strengthen investor education and help raise the risk awareness of market participants.
- (XXVI) Strengthening the protection of financial consumers in Guangdong, Hong Kong, and Macao.
- 77. We will enhance information exchange, business communication, and functional cooperation among financial regulators, financial consumer protection organizations, and investor protection organizations in Guangdong, Hong Kong, and Macao, and build a regulatory consultation and collaboration framework to protect financial consumers and investors. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 78. We will accelerate the creation of Guangdong-Hong Kong and Guangdong-Macao cooperation mechanisms for financial dispute mediation, enforce the Framework Agreement on Guangdong-Macao Cooperation on Financial Dispute Mediation, and create a mediation-centric, internationally aligned, and multi-dimensional cross-border mechanism for resolving financial disputes in GBA. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch. CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)
- 79. We will strengthen the interaction and information exchange among financial regulators and trade associations in Guangdong, Hong Kong, and Macao, and promote the development of coordinated and innovative financial literacy programs for financial consumers, investors, and residents in the three localities. We will clarify requirements for financial institutions on their consumer and investor protection frameworks, improve complaint handling and performance assessment protocols, and hold them accountable for their conducts. We will facilitate the communication, coordination, and cooperation between banking, insurance, securities, futures, and other industry associations in the three localities on financial consumer protection, as well as on the mutual recognition of decisions of industry dispute mediation organizations. (Authorities-in-charge: PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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- (XXVI) Strengthening the protection of financial consumers in Guangdong, Hong Kong, and Macao.
- 80. We will support the Guangzhou Arbitration Commission (Guangzhou Court of International Arbitration), Shenzhen Financial Court, Shenzhen Court of International Arbitration, Zhuhai Arbitration Commission (Zhuhai Court of International Arbitration), and other arbitration institutions to hear and arbitrate financial cases and legal disputes in GBA, to become more professional and international, and to offer world-class financial and legal services so as to provide the judicial services and safeguards in the building of an international financial hub in GBA. (Authoritiesin-charge: Department of Justice, Guangdong, PBOC Guangzhou Branch, CBIRC Guangdong Office, CSRC Guangdong Office, PBOC Shenzhen Central Sub-branch, CBIRC Shenzhen Office, CSRC Shenzhen Office, provincial and local financial regulators in Guangdong)

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APAC no. 03010918 ED None

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