



latest regulations on foreign investors in the interbank bond market

investor category	eligibility	applicable regulations
central banks & monetary authority; international financial organisations; sovereign wealth funds	interbank bond market cash, bond repurchase, bond lending, bond forward, interest rate swap, forward rate agreement etc	PBoC Yinfa [2015] No. 2201
	interbank forex market spot, forward, forex swap, options, currency swap	PBoC Announcement [2016] No.32
RMB clearing and participating banks	cash and repurchase; interests rate derivatives; needs based forex derivatives at bank counters including forwards, forex swaps, currency swaps and options	PBoC Announcement [2016] No.3 PBoC Yinfa [2015] No. 1703 SAFE Huifa [2017] No. 54
other commercial operators	the same as RMB clearing and participating banks, except without repurchase	PBoC Announcement [2016] No.3 SAFE Huifa [2017] No. 5

1. the full title is 'PBoC Notice regarding foreign central banks, monetary authorities, international financial organisations and sovereign wealth funds to invest in the interbank bond market with RMB funds'
2. the full title is 'PBoC Announcement [2016] No. 3 regarding investment of overseas institutional investors in the interbank bond market'
3. the full title is 'PBoC Notice regarding overseas RMB clearing and participating banks conducting bond repurchase business in the interbank bond market'
4. the full title is 'SAFE Notice regarding forex risk management for overseas institutional investors in the interbank bond market'

PBoC: People's Bank of China

QFII: Qualified Foreign Institutional Investors

RQFIIs: RMB Qualified Foreign Institutional Investors

SAFE: State Administration of Foreign Exchange



Comparing QFII/RQFII policy with PBoC Announcement [2016] No.3

	QFII/RQFII policy	PBoC Announcement [2016] No.3
investor eligibility	qualified institutional investors subject to regulator approval	long- and medium-term institutional investors, including commercial banks, insurers, securities firms and asset managers. excluding short-term ones
product eligibility	equity and debt instruments listed at exchanges & interbank, some derivatives	cash bonds and some derivatives
quotas	yes	no
repatriation	subject to restrictions including a three-month lock-up period and a 20 percent monthly repatriation cap	subject to the same foreign currency to RMB ratio as fund remitted in China, within ten percent deviation