

23rd Asia Securities Forum Market Report (SAC)

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November 1, 2018

Challenges lying ahead

- ◆ Regulatory coordination
- ◆ Governance of listed companies
- ◆ External uncertainty

Challenge 1 Rapid development of financial industry requires the strengthening of regulatory coordination

- Increasing business relevance of different financial institutions
- Emergence of new financial forms
- New risks across industries and markets

⇒ More challenges to financial regulation

Solutions:

- ✓ Strengthen the overall coordination of financial supervision
- ✓ Regulatory technology (Regtech) to improve supervision efficiency (CSRC Overall Construction Plan of Regulatory Technology)

Challenge 2 The opening up of capital market puts forward higher requirements for the governance of listed companies

➤ China's securities market accelerated its pace of opening up

- the opening up of the securities and futures industry
- the expansion of Shanghai-HK Connect and Shenzhen-HK Connect
- the incorporation of A-shares into MSCI index
- A-share account opening policy for foreign investors
- preliminary rules for Shanghai-London Stock Connect were released

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⇒ Higher requirements on the corporate governance of listed companies

✓ Construct the framework of ESG investment system in China

Challenge 3 The increase of external uncertainty put an impact on the capital market

➤ Challenges to Steady Growth: the expansion has become less balanced; downside risks to global growth have risen; the potential for upside surprises has receded

Global growth is projected at 3.7% for 2018–19, which is 0.2%p lower for both years than forecast in April. (IMF World Economic Outlook, October 2018)

➤ Progressive interest rate hikes by the US Federal Reserve and an impending end of asset purchases by the European Central Bank

➤ Rising trade barriers

自律 Self-regulation
服务 Service
传导 Conduction

THANK YOU!

学习 研究
实践 创新
服务 节约

