

Joint letter of cooperation between the AMF and the CSRC

7 December 2018

Recognizing that the development of international activity on financial markets requires stronger cooperation between national authorities in order to facilitate the performance of their missions;

Desiring to reaffirm their commitment to a close and constructive regulatory cooperation;

Considering that they are each signatories of the MMoU of the International Organisation of Securities Commissions (IOSCO) and thus adhere to the highest standards of cooperation and information exchange to ensure effective implementation of their laws and regulations on securities and derivatives markets;

The Autorité des marchés financiers (AMF), represented by its Chairman, Mr. Robert OPHELE, and the China Securities Regulatory Commission (CSRC), represented by its Chairman, Mr. LIU Shiyu, agree through this joint letter to strengthen the links between the two commissions.

The CSRC and the AMF express their willingness to cooperate further with each other in the interest of fulfilling their respective regulatory and supervisory mandates, particularly with the aim of protecting investors and ensuring the orderly functioning of financial markets.

This letter is designed to complement, rather than modify, the terms and conditions of other multilateral or bilateral agreements concluded between the Authorities or between the Authorities and third parties, in particular the bilateral Memorandum of Understanding on cooperation and exchange of information signed in 1998 and the joint letter of cooperation of 2006.

With this letter of cooperation, and in addition to their sharing of views within multilateral fora, the two authorities intend to consult regularly and exchange information on the evolution of the regulatory environment in their respective country and region and share experience and expertise in order to reach better understanding and reinforce bilateral cooperation in areas of common interest and in particular in the following areas.

Preventing risks and ensuring market integrity

The AMF and the CSRC recognize the importance of remaining vigilant in the face of important and emerging risks and vulnerabilities in the financial system, and reiterate therefore their commitment to cooperate further on assessing and monitoring such risks and vulnerabilities on a bilateral basis as well as in international fora.

They also agree to share experience in the fields of market surveillance and enforcement with a view to preventing and fighting market abuse.

Financing the real economy

Recognizing the need to find new investment solutions for financing the real economy, the AMF and the CSRC agree to further reinforce their dialogue in several areas where they can mutually benefit from their respective expertise.

Asset Management

Most specifically the field of asset management, they intend to continue facilitating the establishment of their asset management industry participants as well as facilitating the delegation of asset management activities in order to help widen the scope of investment choices for their respective investor basis. The AMF and the CSRC also intend to strengthen communications and facilitate mutual understanding on asset management industries and regulations systems so as to promote and create favorable conditions for the envisaged mutual recognition of funds between China and France.

Green and sustainable finance

Considering the leading role played by China and France in promoting green and sustainable finance, the CSRC and the AMF further agree to share experience in this field and discuss their respective approaches on matters such as disclosure of non-financial information.

Financial innovation

Given the global nature of innovation in financial services, the authorities believe that through cooperation with each other, they will be able to further the promotion of innovation in the respective markets while ensuring safe conditions for investors. They commit to share experience and expertise on the regulation of FinTechs. They will strengthen bilateral regulatory cooperation and information sharing.

In addition, both sides agree to share information on derivative markets, listed companies and their financing on the markets, and investor protection.

Work program

In order to implement the objectives above, the authorities will develop and implement a two-year cooperation program.

The authorities anticipate that cooperation will be achieved through ongoing, informal consultations, supplemented, by technical exchanges in the form of visits of delegations, seminars and study visits. The cooperation might also include programs and joint conferences in association with the industry to foster cooperation and cross border business.

The scheduled initiatives will provide experts of each of the authorities with in-depth presentations of the regulation of each jurisdiction, its practical implementation and supervision. The specific format of these initiatives will be decided on a case by case basis. Representatives from the industry of the respective market places may be invited when appropriate.

Bilateral meetings between the Chairman of the AMF and the Chairman of the CSRC will be organized to monitor the implementation of the program.

AUTORITE DES MARCHES FINANCIERS

CHINA SECURITIES REGULATORY COMMISSION

Robert OPHELE
Chairman

LIU Shiyu
Chairman