

MEMO# 26320

July 20, 2012

China's CSRC Consults on QFII Eligibility Requirements

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TO: INTERNATIONAL COMMITTEE No. 24-12

ICI GLOBAL MEMBERS RE: CHINA'S CSRC CONSULTS ON QFII ELIGIBILITY REQUIREMENTS

In late June the China Securities Regulatory Commission ("CSRC") published a draft regulation ("Draft Regulation") for consultation relating to the qualified foreign institutional investor ("QFII") regime. The Draft Regulation proposes to substantially relax the existing QFII qualification requirements, and would replace the existing requirements specified in a circular issued on August 24, 2006. For example, the Draft Regulation lowers the market entry criteria for fund management institutions to 2 years of experience (rather than 5 years) and US \$500 million assets under management (rather than US \$5 billion). We have obtained the attached unofficial English translation.

The CSRC publicly requested comments by July 5, 2012. Due to the short comment period and difficulty in obtaining an English translation, we were unable to meet that deadline. However, the CSRC, through informal correspondence, has told us that comments submitted after the deadline are welcome.

We have previously received input from members regarding challenges posed by the existing QFII regime, which will form the basis of our letter. We welcome your thoughts on the Draft Regulation and further discussions on your experiences with and insights on the QFII regime. Please contact me (202-326-5937 or emykolenko@ici.org) to discuss. We plan to circulate a draft of our letter for comment.

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[Attachment](#)

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