

MEMO# 35505

November 7, 2023

Key Policy Goals from China's High-Level Policy Meeting on Financial Sector

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TO: ICI Global Members

Asia Regulatory and Policy Committee SUBJECTS: International/Global RE: Key Policy Goals from China's High-Level Policy Meeting on Financial Sector

On October 31, 2023, the Chinese government concluded its two-day Central Financial Work Conference,[\[1\]](#) a twice-a-decade meeting that sets out the high-level policy directions for the financial sector over the next five years. At this year's conference, the Chinese government highlighted its priority of promoting high-quality development of the financial sector, in particular, on green finance, pension finance, and digital finance, and the importance of enhancing supervision and efficiencies.

The meeting also emphasized the roles of the Central Financial Commission and the Central Financial Work Commission,[\[2\]](#) two new bodies created in March to strengthen policy coordination and Party-related guidance in the financial sector, overseen by Vice Premier He Li-Feng. Vice Premier He was also named director of the Central Finance and Economic Affairs Commission, which oversees economic and financial sector policies more broadly.

On November 3, the Central Financial Work Commission convened a follow-up meeting to discuss the key messages from the Central Financial Work Conference,[\[3\]](#) during which Vice Premier He reportedly underscored the importance of strengthening Party oversight and urged measures to strengthen supervision, risk prevention and high-quality development of the financial sector. The China Securities Regulatory Commission (CSRC), the National Financial Regulatory Administration (NFRA), and the People's Bank of China (PBOC) each identified their work plans to support the implementation of the policy goals discussed at the conference, as summarized below.[\[4\]](#)

- Improving the Capital Markets: The CSRC will step up its efforts to boost the stock market and attract medium and long-term capital. In August 2023, it unveiled a series of measures aiming at reinvigorating the capital market and restoring investor confidence.[\[5\]](#) Measures also include encouraging asset managers to increase offerings of equity funds and to lower the management fee of equity funds. The CSRC will seek to enhance the variety of capital market instruments and will also encourage allocation to A shares by long-term capital, including the National Social Security

Fund, insurance, and annuities.^[6]

- Opening Up the Financial Sector: The Chinese government affirmed that it will continue promoting the opening up of the financial sector – not only attracting foreign financial institutions to set up operations in China, but also encouraging local players to expand overseas. The CSRC and PBOC will continue their respective work to facilitate cross-border investment.
- Strengthening Supervision: The CSRC will step up its enforcement actions against market fraud and misconduct, and bring all securities-related activities under its supervision to eliminate regulatory gaps. In particular, it highlighted the need to identify and address default risks and risks in private equities funds.

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Notes

[1] See Central financial work conference is held, dated November 2, 2023, available at https://english.www.gov.cn/news/202311/02/content_WS65430bb8c6d0868f4e8e0e33.html.

[2] See ICI Memorandum [35206], dated March 20, 2023, available at <https://www.ici.org/memo35206>.

[3] See news reported by PBOC's Financial News publication on the meeting of the Central Financial Work Commission, dated November 3, 2023, available (in Chinese only) at <https://mp.weixin.qq.com/s/-ax2-Ur2tQlnjhY205XtkQ>.

[4] See CSRC's Party Committee Meeting on key messages of the Central Financial Work Conference, dated November 1, 2023, available (in Chinese only) at <http://www.csrc.gov.cn/csrc/c100028/c7440650/content.shtml>; NFRA's Party Committee Meeting on key messages of the Central Financial Work Conference, dated November 1, 2023, available (in Chinese only) at <https://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1134368&itemId=915>; Party Committees of PBOC and State Administration of Foreign Exchange convened meeting on key messages of the Central Financial Work Conference, dated November 2, 2023, available (in Chinese only) at <http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/5120001/index.html>.

[5] See CSRC press conference on reviving capital market and investor conference, dated August 18, 2023, available (in Chinese only) at <http://www.csrc.gov.cn/csrc/c100028/c7426770/content.shtml>.

[6] See China Central Television reporting on CSRC's plan to improve capital market function, dated November 1, 2023, available (in Chinese only) at <https://news.cctv.com/2023/11/01/ARTIAkEa5XgiFFXILUobjbLC231101.shtml>.

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