

Parallel Session on High-quality Opening-up of China's Capital Market

【Basic Information】

Hosts:

Panel discussion I:	Yang Yudong	Editor-in-Chief, Yicai Media Group
Panel discussion II:	Li Yingying	Executive Director, Department of International Affairs, Shanghai Stock Exchange
Panel discussion III:	Natasha Xie	Partner, JunHe

Speeches:

Fang Xinghai	Vice Chairman, China Securities Regulatory Commission (CSRC)
Wu Qing	Member of the Standing Committee of the CPC Shanghai Committee; Executive Vice Mayor of Shanghai
Cai Jianchun	President, Shanghai Stock Exchange

Panel discussion I: Tech Innovation Enhances Resilience and Vitality of Economic Development

Huang Zhaohui	CEO, CICC
Yang Minghui	President, CITIC Securities
Li Jun	General Manager, Haitong Securities
Qian Jing	CEO, Morgan Stanley Securities (China)

Panel discussion II: New Opportunities Arising from High-quality Opening-up of China's
Capital Market

Wang Lei	Deputy Director-General, Capital Account Management Department, State Administration of Foreign Exchange
Li Ying	Deputy Director-General, Department of Fund and Intermediary Supervision, China Securities Regulatory Commission
Eugene Qian	UBS Group China President and Chairman of UBS Securities
Helen Huang	Managing Director, China, Fidelity International

Panel discussion III: Asset Management Industry Facilitating the Development of Shanghai Global
Asset Management Center

Guan Xiaojun	Deputy Director-General, Shanghai Municipal Financial Regulatory Bureau
Li Wen	Chairman, China Universal Asset Management
Chen Bing	General Manager, Shanghai International Trust Co., Ltd.
Huang De	General Manager, Financial Institutions Department, Shanghai RMB Trading Unit, Bank of China
David Guo	Chief Executive Officer, China, Schroders

【Brief Introduction】

On the morning of November 5, 2022, the Shanghai Stock Exchange (SSE) and the Secretariat of the Hongqiao International Economic Forum held the Parallel Session on High-quality Opening-up of China's Capital Market of the 5th Hongqiao International Economic Forum at the National Exhibition and Convention Center (Shanghai), with the attendance of Fang Xinghai, Vice Chairman, China Securities Regulatory Commission (CSRC), Wu Qing, Executive Vice Mayor of Shanghai, Qiu Yong, Chairman, Shanghai Stock Exchange, and relevant leading officials from the State Administration of Foreign Exchange (SAFE), Department of Fund and Intermediary Supervision of CSRC, Shanghai Municipal Financial Regulatory Bureau, and others. A total of over 150 guests from regulators and domestic and foreign financial institutions attended the parallel session. Vice Chairman Fang Xinghai, Vice Mayor Wu Qing and President of Shanghai Stock Exchange Cai Jianchun delivered speeches at the opening session. It was reported by more than twenty news media, including Xinhua News Agency, China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily, Yicai, Sina Finance, The Paper, and others.



【Speeches】

Fang Xinghai, Vice Chairman, China Securities Regulatory Commission (CSRC), attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and delivered a speech.

Fang Xinghai, Vice Chairman, China Securities Regulatory Commission (CSRC), said that the CSRC would adhere to the direction of marketization, the rule of law, and internationalization, deepen reform comprehensively, and improve the functions of the capital market, so as to better serve high-quality development and continuously enhance the confidence of domestic and foreign investors. The CSRC will further improve the institutional framework for opening-up the capital market and accelerate the implementation of the opening-up initiatives to attract and gather more outstanding international institutions and talents to participate in China's capital market. The CSRC will insist on promoting a high level of system-based opening-up of the capital market and further facilitate cross-border investment by domestic and foreign investors, so as to better support the development of cross-border financing for enterprises. The CSRC will improve sound market interconnectivity mechanisms such as GDR and CDR issuance and support all types of enterprises to go public overseas according to the law and regulations. The CSRC will strengthen pragmatic cooperation between the capital markets of the Chinese mainland and Hong Kong to achieve complementary advantages and synergistic development between the two regions.



Wu Qing, Member of the Standing Committee of the CPC Shanghai Committee; Executive Vice Mayor of Shanghai, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and delivered a speech.

Wu Qing, Member of the Standing Committee of the CPC Shanghai Committee; Executive Vice Mayor of Shanghai, said that Shanghai would further base on the national strategy and follow General Secretary Xi Jinping on the requirements of "placing on the tetrad" to grasp the financial development trend and take active measures. We should continue to strengthen the global resource allocation function and further enhance the pricing ability and influence of the Shanghai financial market in the world, so as to accelerate the gathering of more Chinese and foreign financial institutions with market influence and fully amplify the demonstration effect. We should continue to promote major financial reforms and innovations and make greater efforts to build a broad-channel, multi-level, full-coverage, and sustainable financial service system for science and innovation. We should vigorously promote financial support for green and low-carbon high-quality development, build an international green financial hub, and support the green transformation of economic and social development through green finance.



Qiu Yong, Chairman, Shanghai Stock Exchange,
attended the Parallel Session on High-quality Opening-up of China's Capital Market.



Cai Jianchun, President, Shanghai Stock Exchange, attended the Parallel Session on High-quality Opening-up of China's Capital Market and delivered a speech.

Cai Jianchun, President, Shanghai Stock Exchange, said that SSE will continue to implement the task of comprehensively deepening reform, further play its role of a testing ground for the SSE STAR Market, adhere to the "hard science and technology" positioning of the SSE STAR Market, and continue to enhance the capacity of serving science and technology innovation. We should continuously promote the coordinated and balanced development of investment and financing and steadily promote the innovation of corporate bonds, ETFs, options, and other products, so as to create a new high ground for the development of REITs with international competitiveness. We should firmly promote high-level system-based opening-up, further deepen the market interconnection mechanism, strengthen cross-border index cooperation, actively participate in international industry governance, pragmatically cooperate with overseas exchanges, and strengthen supervisory capacities and risk prevention and control capabilities under opening-up conditions.

【Panel Discussion】

Session I: Tech Innovation Enhances Resilience and Vitality of Economic Development



Yang Yudong, Editor-in-Chief, Yicai Media Group, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and moderated the Panel discussion I.

Huang Zhaohui, CEO, CICC, pointed out that since science and technology innovation relies on direct financing linked by the capital market, the establishment of the SSE STAR Market and the reform of the registration system are important manifestations of the linking role of the capital market. Since its opening, the SSE STAR Market has provided strong support for developing a large number of science and technology innovation enterprises. With its increasingly amplified driving effect on hard science and technology, the SSE STAR Market has become a gathering place for emerging science and technology innovation enterprises. The effect of the SSE STAR Market to stimulate innovation continues to be highlighted, promoting the manifestation of the value of research investment and results and helping stimulate scientific talents and enterprises in continuous innovation.

According to Yang Minghui, President, CITIC Securities, at the national level, the SSE STAR Market has become the wind vane of China's science and technology innovation and has made significant contributions in broadening financing channels, reducing financing costs, enhancing market visibility, and promoting deeper integration between industry and capital for enterprises. At the industry level, the SSE STAR Market provides the impetus for the rapid development of high-tech industries and creatively designs five sets of listing standards to meet the listing needs of enterprises of different types, fields, and stages. Good prospects for developing the capital market help to quickly complete the gathering of elements, increase inter-industry interconnection, enhance industrial resilience, and improve the vitality of the whole industry chain. At the enterprise level, the SSE STAR Market has obtained financing for science and technology enterprises at an unprecedented speed and scale, making up for the shortcomings of China's capital market and effectively increasing the proportion of direct financing for enterprises.

According to Li Jun, General Manager, Haitong Securities, the distinctive science and technology attributes of the SSE STAR Market and the inclusiveness of listing standards effectively solve two major problems in the development of emerging industries. On the one hand, the risk-involving realization of financial capital and real-time financing of science and innovation enterprises have cracked the problem of breakpoints in the growth path of science and innovation enterprises, helping share the investment risks between science and innovation industries and social capital and realize the important function of the capital market to promote industrial structure optimization and economic transformation and upgrading. On the other hand, the SSE STAR Market has abandoned the traditional IPO profitability threshold requirement. The listing guidelines oriented to the attributes of science and innovation and the IPO system arrangement are more suitable for the listing of enterprises featuring "four new technologies." Meanwhile, the SSE STAR Market has made the industrial structure of the capital market significantly optimized. Its guiding effect on China's emerging industries has become increasingly apparent. It effectively plays the function of the capital market to enhance the capability of science and innovation and the competitiveness of the real economy. It has strongly promoted the transformation, upgrading, and development of China's economy.

Qian Jing, CEO, Morgan Stanley Securities (China), said that as a testing ground for the registration system reform, the SSE STAR Market has put into practice many groundbreaking and systematic system innovations, among which two specific systems show more profound impacts: the first is marketization of review, i.e., focusing on information disclosure to formulate information disclosure rules from the perspective of investors' needs, providing necessary information for investors to make investment judgments and decisions and improving the review efficiency and supervision predictability; the second is the marketization of issuance and the market-based issuance pricing mechanism, in which the capital market truly plays its role of value discovery and resource allocation, and achieves the survival of the fittest in listed companies. Meanwhile, she believes that the SSE STAR Market can further enhance its attractiveness in four areas: Enhancing the inclusiveness of red-chip companies; enhancing the attractiveness of foreign companies; considering relaxing the conditions for joint sponsorship; and further relaxing the IPO strategic investor qualification restrictions and issuance ratio requirements.

Session II: New Opportunities Arising from High-quality Opening-up of China's Capital Market



Li Yingying, Executive Director, Department of International Affairs, Shanghai Stock Exchange, attended the Parallel Session on High-quality Opening-up of China's Capital Market in Shanghai and moderated the Panel discussion II.

Wang Lei, Deputy Director-General, Capital Account Management Department, State Administration of Foreign Exchange, pointed out that in recent years, the State Administration of Foreign Exchange has coordinated the domestic and international macroeconomic situation, the interest rate and exchange rate market reform, the building of a modern financial system, and other factors. In the premise of effective risk prevention and control, it has promoted the two-way opening-up of the financial market. On the one hand, from the perspective of "bringing in," it has steadily expanded the opening-up, attracting all kinds of international capital to invest in China; on the other hand, it has steadily promoted "going global." At present, China's market opening and institutional opening go hand in hand, and the market opening widely covers stocks, bonds, commodity futures, and others, forming a multi-channel and multi-level opening pattern of the market.

Li Ying, Deputy Director-General, Department of Fund and Intermediary Supervision, China Securities Regulatory Commission, pointed out that in recent years, China has made significant adjustments to the market mechanism, especially the Qualified Foreign Investor system, having achieved exceptional results and won a high-level of recognition by foreign investors. In terms of access, the entry conditions have been significantly optimized, with the cancellation of indicator and scale-type thresholds. There are measures such as the merger of QFII and RQFII qualifications, the reduction of duplicate applications, and the compression of the review period. In terms of investment operation, the restrictions on the number of custodians, securities companies and futures companies are removed, significantly enhancing the convenience of investment and operational efficiency. There has been a substantial expansion of investment varieties. The securities and futures market sector will continue to promote a higher level of opening-up in the future.

Eugene Qian, UBS Group China President and Chairman of UBS Securities, mentioned that over the years, UBS has kept pace with domestic regulatory developments and focused on its "most competitive" products and areas of strength, doing its utmost to promote diversified capital market interconnections between China and Europe. As a beneficiary of the opening-up of China's capital market, UBS looks forward to more new policies and initiatives in the opening-up of China's capital market in the future.

Helen Huang, Managing Director, China, Fidelity International, believes that China's capital market opening continues to be broader and deeper, and the launch of more foreign-facilitating investment instruments is highly helpful to the overall ecological and diversified development of the entire market. In particular, the Opinions on Promoting Individual Pensions issued by the State Council in April this year will lay a solid foundation for improving the entire third-pillar pension (individual pension) payment system and the long-term development of the capital market. It is expected that more domestic institutions and foreign investors will participate in the Chinese pension market.

Session III: Asset Management Industry Facilitating the Development of Shanghai Global Asset Management Center



Guan Xiaojun, Deputy Director-General, Shanghai Municipal Financial Regulatory Bureau, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and delivered a keynote speech.

Guan Xiaojun, Deputy Director-General, Shanghai Municipal Financial Regulatory Bureau, pointed out that Shanghai is the first city in China to build itself into a global asset management center. Its scale of various asset management accounts for about a quarter of that of China. In the future, the city and local financial supervision departments will continue strengthening government services and creating a good business environment. In particular, by supporting the high-quality development of the capital market, building a healthy and mature capital management industry ecosystem, and supporting the Shanghai Asset Management Association to function better, these departments will accelerate building Shanghai into a global asset management center.



Li Wen, Chairman, China Universal Asset Management, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and participated in the Panel discussion.

Li Wen, Chairman, China Universal Asset Management, based on the business of China Universal Asset Management, put forward four suggestions for developing cross-border business: Firstly, formulate international development strategies and insist on continuously promoting institutional and business layout and product opening; secondly, improve investment management capability, especially in enhancing global asset allocation capability and product innovation and development capability; thirdly, improve qualified risk control capability, fully draw inspiration from international practices and learn from the experience of international outstanding capital management institutions; fourthly, strengthen the cultivation of talents with international vision and international capabilities; fifthly, strengthen international cooperation and insist on win-win cooperation.



Chen Bing, General Manager, Shanghai International Trust Co., Ltd., attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and participated in the Panel discussion.

According to Chen Bing, General Manager, Shanghai International Trust Co., Ltd., the trust industry is currently accelerating its transformation into three directions: asset management, asset services, and asset trust. Asset services at present are increasingly heading towards the growing needs of middle-class families for an inheritance, fully reflecting the inclusive and people-oriented nature of finance. Trusts can also enable super asset class allocation and reduce asset volatility, providing investors with long-term investment protection. Trust will give full play to its unique professional value in building Shanghai into an asset management centre.



Huang De, General Manager, Financial Institutions Department, Shanghai RMB Trading Unit, Bank of China, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and participated in the Panel discussion.

According to Huang De, General Manager, Financial Institutions Department, Shanghai RMB Trading Unit, Bank of China, building Shanghai into a global asset management center reflects the following characteristics: Firstly, Shanghai is backed by China's solid economic support, which provides a highly solid foundation for building Shanghai into an asset management center; secondly, Shanghai has always carried the status of the gateway hub of China's opening-up, which makes the global financial community always optimistic about the future development of Shanghai's financial industry; thirdly, Shanghai has always had the guidance and support of national strategies, providing a clear development path and strong policy guarantee for building Shanghai into a global asset management center; fourthly, Shanghai has always presented the exploding financial market development potential. Whether in terms of financial market categories, financial facilities, financial products, or infrastructure construction, Shanghai has become one of the richest and most complete cities in the world. These provide a solid foundation for building Shanghai into a global asset management center.



David Guo, Chief Executive Officer, China, Schrodgers, attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai and participated in the Panel discussion.

David Guo, Chief Executive Officer, China, Schrodgers, believes that asset management business is a significant part of global financial business. The status of being a global asset management center is an important pillar for building Shanghai into an international financial center providing a good development environment for global asset management personnel. From Schrodgers' perspective, pension investment in China is booming and demographic trends make China a highly attractive market. Environmental, Social, and Governance (ESG) is another important area of focus for Schrodgers in China. Sustainable investment, environmental protection, and social responsibility are closely related to foreign investors, and Schrodgers will integrate the latest global ideas to contribute to the development of Shanghai into an international financial center in terms of ESG.



Natasha Xie, Partner, JunHe,
attended the Parallel Session on High-quality Opening-up of China's Capital Market held in Shanghai
and moderated the Panel discussion III.