

Haiwen Finance and Asset Management Monthly (September 2025)

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Introduction

To make the finance and asset management industry keep abreast of the latest industry developments, Haiwen prepares the “Haiwen Finance and Asset Management Monthly”. This monthly reading aims to introduce and provide brief comments on regulatory development and industry news.

In September 2025, regarding regulatory updates, the National Financial Regulatory Administration (“**NFRA**”) issued *the Measures for the Administration of Trust Companies and the Measures for the Supervision and Evaluation of Consumer Rights Protection by Financial Institutions*; the China Securities Regulatory Commission (“**CSRC**”) released the *Provisions on the Administration of Sales Fees of Publicly Offered Securities Investment Funds (Draft for Comments)*.

Regarding industry developments, the State Administration of Foreign Exchange (“**SAFE**”) issued the *Notice of the State Administration of Foreign Exchange on Deepening the Reform of Foreign Exchange Administration for Cross-border Investment and Financing* and, together with the People’s Bank of China (“**PBC**”) and the CSRC, jointly released the *Announcement on Further Supporting Overseas Institutional Investors to Conduct Bond Repurchase Transactions in China’s Bond Market*; the CSRC approved the official launch of the direct sales service platform for institutional investors in the public fund industry; and the Asset Management Association of China (“**AMAC**”) issued the *Private Fund Registration and Filing Updates (3)* and the *Private Fund Registration and Filing Updates (4)*.



I Latest Rules and Regulations Latest

1. NFRA Issued the *Measures for the Administration of Trust Companies*

On September 11, 2025, the NFRA promulgated the revised **Measures for the Administration of Trust Companies** (the “**2025 Measures**”), which will come into effect on January 1, 2026. Compared with the *Measures for the Administration of Trust Companies* issued in 2007 (the “**2007 Measures**”), the key revisions are as follows:

(1) The 2007 Measures required trust companies to allocate 5% of their after-tax profits each year as a trust compensation reserve fund, which could cease once the cumulative amount reached 20% of the registered capital. The 2025 Measures adjust this upper limit to 20% of the risk capital for trust business and rename the reserve fund as a “general reserve for trust compensation.” The funds must continue to be deposited with sound domestic commercial banks or used to purchase low-risk, highly liquid securities such as government bonds. Unlike the fixed ratio based on registered capital under the 2007 Measures, the 2025 Measures link the reserve calculation to the risk capital of trust business, which is determined according to the risk coefficients of different businesses and assets. This adjustment more accurately reflects the scale and risk characteristics of trust companies and effectively curbs their excessive expansion and engagement in high-risk activities.

(2) While the 2007 Measures only permitted interbank lending, the 2025 Measures explicitly allow trust companies to conduct bond repurchase transactions, interbank lending, obtain liquidity support loans or issue targeted bonds to shareholders and their affiliates, and apply for liquidity support loans from the China Trust Protection Fund Co. Ltd., thereby significantly broadening their funding channels.

(3) The 2025 Measures reclassify trust businesses into three categories—asset service trusts, asset management trusts, and public welfare or charitable trusts—removing the previous classification in the 2007 Measures based on the form of trust property (such as capital trusts, movable property trusts, real estate trusts, security trusts, and other property or property rights trusts). This adjustment implements the *Notice of the China Banking and Insurance Regulatory Commission on Regulating the Classification of Trust Business of Trust Companies*, which also provides more detailed guidance for the new classification under the 2025 Measures.

Haiwen Comment

The 2025 Measures introduce institutional innovations in risk control, fund utilization, and business classification. They are of positive significance in strengthening prudent operation within the industry, broadening liquidity channels, and promoting a more scientific categorization of trust business.

2. NFRA Issued the *Measures for the Supervision and Evaluation of Consumer Rights Protection by Financial Institutions*

On September 10, 2025, the NFRA issued the *Measures for the Supervision and Evaluation of Consumer Rights Protection by Financial Institutions* (the “**2025 Evaluation Measures**”), updating the *Measures for the Supervision and Evaluation of Consumer Rights Protection by Banking and Insurance Institutions* issued in 2021 (the “**2021 Evaluation Measures**”). The key updates are as follows:

(1) The 2025 Evaluation Measures expand the scope of consumer protection supervisory evaluation from the original “banking and insurance institutions” to all financial institutions legally established in the People’s Republic of China, regulated by NFRA, and providing financial products or services to consumers. However, policy banks, rural mutual fund cooperatives, financial asset management companies, money brokerage companies, financial asset investment companies, insurance asset management companies, pension management companies, reinsurance companies, policy insurance companies, mutual insurance organizations, and specialized insurance intermediaries remain outside the evaluation scope.

(2) The evaluation framework for consumer rights protection is expanded from five elements under the 2021 Evaluation Measures to seven elements. The previous elements “mechanism and operation” and “operations and services” are further subdivided into appropriateness management, marketing behavior management, consumer service, and personal information protection. Marketing behavior

management is assigned a weight of no less than 25%, reflecting the regulatory focus on standardizing marketing practices. The 2025 Evaluation Measures also introduce a dynamic weighting mechanism, enhancing the flexibility and targeting of the evaluation system.

(3) In the overall scoring of financial institutions, the weight of the head office and primary branches is adjusted from 60%-40% to 50%-50%, increasing the importance of primary-level institutions in consumer rights protection evaluation. This adjustment encourages financial institutions to improve the management capabilities of head offices over branches and promotes compliance and service quality at the branch level.

Haiwen Comment

The 2025 Evaluation Measures expand the supervisory scope, refine the evaluation system, and adjust weighting to reflect changes in regulatory priorities. They have a positive impact on strengthening marketing behavior compliance, protecting personal information, and enhancing execution capacity at the grassroots level.

3. CSRC Issued the *Provisions on the Administration of Sales Fees of Publicly Offered Securities Investment Funds (Draft for Comments)*

On September 5, 2025, the CSRC issued the *Provisions on the Administration of Sales Fees of Publicly Offered Securities Investment Funds (Draft for Comments)* (the “**Public Fund Sales Fee Provisions**”), further revising the *Administrative Provisions on Sales Fees of Open-ended Securities Investment Funds* amended in 2013 (the “**Open-ended Fund Sales Fee Provisions**”). The key revisions are as follows:

(1) The Public Fund Sales Fee Provisions explicitly lower the subscription and purchase fee caps for equity funds, mixed funds, and bond funds to 0.8%, 0.5%, and 0.3%, respectively. For cases where no subscription fee is charged, the maximum annual sales service fees are lowered to 0.4% for equity and mixed funds, 0.2% for index and bond funds, and 0.15% for money market funds.

(2) The Public Fund Sales Fee Provisions stipulate that, except for money market funds, sales service fees will no longer be charged for fund holdings exceeding one year. For short-term redemptions, the redemption fee is set at no less than 1.5% for holdings under 7 days, no less than 1% for holdings of 7–30 days, and no less than 0.5% for holdings of 30 days to 6 months. These measures aim to encourage investors to adopt a long-term investment perspective.

(3) The Public Fund Sales Fee Provisions guide industry resources toward equity funds by adjusting the proportion of client maintenance fees and establishing the legal status of the Fund Industry Institutional Investor Direct Sales Platform (“**FISP Platform**”). Specifically, for holdings by non-individual investors, the maximum client maintenance fee for non-equity products (such as bond and money market funds) is reduced from 30% to 15%, while the cap for equity products (such as equity and mixed funds) remains 30%. By clarifying the legal status of the FISP Platform, the Public Fund Sales Fee Provisions provide institutional investors with a convenient one-stop direct sales service and help reduce operational difficulty for small and mid-sized fund managers.

Haiwen Comment

The Public Fund Sales Fee Provisions significantly reduce investor costs and encourage long-term holding by lowering subscription and sales service fee caps and optimizing the redemption fee structure. The adjustment of client maintenance fees, together with the establishment of the FISP Platform’s legal status, guides sales institutions to allocate more resources to equity funds.

II Industry Developments

1. SAFE Issued the *Notice of the State Administration of Foreign Exchange on Deepening the Reform of Foreign Exchange Administration for Cross-border Investment and Financing*

On September 12, 2025, the SAFE issued and implemented the *Notice of the State Administration of Foreign Exchange on Deepening the Reform of Foreign Exchange Administration for Cross-border Investment and Financing* (the “**Foreign Exchange Reform Notice**”) to implement the Central Financial Work Conference’s decisions on the “five major financial tasks.” The Foreign Exchange Reform Notice introduces multiple measures in three key areas: cross-border investment foreign exchange management, cross-border financing foreign exchange management, and facilitation of capital account income and payment. Key points are as follows:

(1) Cross-border Investment Foreign Exchange Management: Prior to the issuance of the Foreign Exchange Reform Notice, foreign investors planning to establish foreign-invested enterprises (“**FIEs**”) in China were required to register preliminary expenses (e.g., office costs) with the bank in the location of the proposed enterprise and open an account before remitting funds. The Foreign Exchange Reform Notice removes this registration requirement, allowing foreign investors to directly open accounts and remit funds for domestic investment. The Foreign Exchange Reform Notice also stipulates that for domestic reinvestment using foreign exchange capital and the RMB proceeds from its conversion, the investee enterprise or equity transferor does not need to register basic information or update registrations; domestic reinvestment funds can be directly transferred, provided the investment complies with the foreign investment access special measures and the domestic project is genuine and compliant. In addition, the Foreign Exchange Reform Notice clarifies that legally generated foreign exchange profits of FIEs and legally obtained foreign exchange profits of foreign investors can be used for domestic reinvestment, and such funds may be transferred into the investee’s capital account or the equity transferor’s capital account, with usage subject to the relevant account management requirements.

(2) Cross-border Financing Foreign Exchange Management: The Foreign Exchange Reform Notice waives the requirement for enterprises participating in cross-border financing facilitation services to submit the previous year's or most recent audited financial statements during the contract registration process.

(3) Facilitation of Capital Account Income and Payment: Regarding the use of foreign exchange income and RMB proceeds from capital contributions or foreign debt by non-financial enterprises, the Foreign Exchange Reform Notice removes the restriction that funds “may not be used to purchase non-owner-occupied residential property,” while maintaining the prohibition on expenditures prohibited by national laws and regulations. Unless otherwise specified, funds may not be directly or indirectly used for securities investment or other wealth management products (except for wealth management products and structured deposits with risk rating no higher than Level 2), nor may they be used to provide loans to non-affiliated enterprises (unless explicitly allowed within the business scope).

2. CSRC Approves the Official Launch of the Fund Industry Institutional Investor Direct Sales Platform

On September 5, 2025, the CSRC approved the official launch of the Fund Industry Institutional Investor Direct Sales Platform (“**FISP Platform**”). The FISP Platform will operate primarily in accordance with the *Operational and Administrative Measures for the Fund Industry Institutional Investor Direct Sales Platform of China Securities Depository and Clearing Corporation Limited* (“**FISP Measures**”).

The FISP Measures came into effect on September 5, 2025, with a transition period lasting until September 4, 2026. The FISP Measures specify that the platform provides services such as electronic information flow, custody, and inquiry for public fund business participants, including fund managers, investment managers, and asset custodians. Securities companies and their subsidiaries, futures companies and their subsidiaries, fund management companies and their subsidiaries, commercial banks and their wealth management subsidiaries, insurance companies, insurance asset management companies, trust companies, private securities investment fund managers, and other institutions

recognized by China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) may become platform participants and apply for appropriate roles and permissions based on business needs. ChinaClear is responsible only for information format validation and does not assume responsibility for the authenticity, accuracy, completeness, or legality of the information. The platform does not participate in fund sales legal relationships and is not liable for transaction risks or disputes; participants bear their own risks. The introduction of the FISP Measures marks an important step toward the standardized and institutionalized development of a digital direct sales system in the public fund industry.

3. PBC, CSRC, and SAFE Jointly Issue the *Announcement on Further Supporting Overseas Institutional Investors to Conduct Bond Repurchase Transactions in China’s Bond Market*

On September 26, 2025, the PBC, the CSRC, and the SAFE jointly issued the *Announcement on Further Supporting Overseas Institutional Investors to Conduct Bond Repurchase Transactions in China’s Bond Market* (“**Bond Repurchase Announcement**”) to promote the opening of the interbank bond market’s repurchase business to foreign participants. Key points of the Bond Repurchase Announcement and related documents are as follows:

(1) The Bond Repurchase Announcement identifies the overseas institutional investors eligible to conduct cash bond transactions in China’s bond market, including foreign central banks or monetary authorities, international financial organizations, sovereign wealth funds, commercial banks, insurance companies, securities companies, fund management companies, futures companies, trust companies, and other asset management institutions legally established outside the People’s Republic of China, as well as long-term institutional investors such as pension funds, charitable funds, and endowment funds.

(2) The Bond Repurchase Announcement specifies that bond repurchase transactions include both outright repurchases and pledged repurchases. According to the PBC and SAFE Q&A on the Announcement on the Bond Repurchase Announcement, under the current pledged repurchase

practice in China, the repurchase collateral remains frozen with the repurchase seller and is not transferred to the repurchase buyer, whereas in international markets, the collateral is transferred to the repurchase buyer for use. After the issuance of the Bond Repurchase Announcement, overseas institutional investors may conduct bond repurchase transactions in the interbank market following international market practices.

(3) Before the issuance of the Bond Repurchase Announcement, participants in interbank bond repurchase transactions were required to sign the Master Agreement for Interbank Market Bond Repurchase Transactions of China. The Announcement stipulates that overseas institutional investors must sign bond Repurchase master agreements in accordance with relevant requirements, and relevant self-regulatory organizations or industry associations should file the standard master agreement with the PBC, CSRC, and other relevant financial regulatory authorities. The use of internationally recognized agreements, such as the Global Master Repurchase Agreement, is not excluded.

4. AMAC Releases *Private Fund Registration and Filing Updates (3)* and *Private Fund Registration and Filing Updates (4)*

On September 30, 2025, the AMAC released *Private Fund Registration and Filing Updates (3)* and *Private Fund Registration and Filing Updates (4)*. Haiwen & Partners has summarized several key cases from these updates for industry reference:

(1) Clarification on recognizing the professionalism of controlling shareholders and actual controllers based on the principle of substance over form. In the cases discussed, the applicant's controlling shareholder or actual controller had been established for less than five years. However, (a) where the entity was a capital operation company set up by a group to implement its development strategy and invest in strategic emerging industries, or (b) where the entity had inherited and undertaken all assets, business, or personnel of a previous institution, the relevant staff were deemed to have sufficient experience. Accordingly, registration as a private fund manager could be approved.

(2) Reiteration that fund managers must not engage in channel business in disguised forms. In one case, the fund contract stipulated that “Institution B, as the managing partner, is responsible for handling business registration, tax matters of the partnership, and jointly with the managing partner and Manager A, for project screening, due diligence, and post-investment management.” Since project screening, due diligence, and post-investment management fall within the scope of investment management, Institution B — not being the fund manager — is not permitted to perform investment management functions. AMAC further reiterated that, in principle, fees charged by non-manager entities should not exceed those charged by the fund manager.

(3) Dynamic assessment of private fund managers’ ongoing business capabilities. In one case, a private fund manager registered in 2019, with current assets under management of less than RMB 30 million and no new funds filed in the past three years, applied for a new fund filing. AMAC required the manager to submit the resumes, employment contracts, social insurance payment records, and payroll slips for all employees over the past six months, as well as the company’s bank statements for the past year. One manager was only able to provide social insurance and payroll records for two employees, failing to meet the requirement of having at least five full-time employees. The manager was therefore required to make rectifications before the fund filing could proceed based on the rectification outcome.

The source of Information

- <https://www.nfra.gov.cn/cn/view/pages/ItemDetail.html?docId=1225642&itemId=928>
- <https://www.nfra.gov.cn/cn/view/pages/ItemDetail.html?docId=1225502>
- <https://www.csrc.gov.cn/csrc/c101981/c7581731/content.shtml>
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