Haiwen Finance and Asset Management Monthly (May-June 2026)

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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.

From May to June 2026, regarding regulatory updates, the China Securities Regulatory Commission ("**CSRC**") issued the Measures for the Supervision and Administration of Derivatives Trading (for Trial Implementation); the State Council issued the Provisions of the State Council on Outbound Investment; the National Financial Regulatory Administration ("**NFRA**") issued the Administrative Measures for Market Risks of Commercial Banks; the Asset Management Association of China ("**AMAC**") issued the Detailed Rules for the Implementation of Information Disclosure of Private Investment Funds and the Template for Key Contents of Information Disclosure of Private Investment Funds; and the AMAC issued the Detailed Rules for the Suitability Management of Investors in Publicly Offered Securities Investment Funds.

Regarding industry developments, the General Office of the State Council issued the Guiding Opinions of the General Office of the State Council on Strengthening Supervision, Preventing Risks, and Promoting the High-Quality Development of Private Investment Funds; the NFRA issued the Guiding Opinions on the Safe Development and Application of Artificial Intelligence in the Banking and Insurance Sectors; and the CSRC and eight departments jointly issued the Implementation Plan for the Comprehensive Rectification of Illegal Cross-border Securities, Futures and Fund Business Activities.

I Latest Rules and Regulations

1. The CSRC Issued the *Measures for the Supervision and Administration of Derivatives Trading (for Trial Implementation)*

On May 13, 2026, the CSRC issued the Measures for the Supervision and Administration of Derivatives Trading (for Trial Implementation) (the "**Measures**"), which will take effect on November 16, 2026. The Measures is the first departmental regulation for the derivatives industry under the supervision of the CSRC. The main contents include:

(1) Clarifying the scope of application and functional positioning: The derivatives trading regulated under the Measures refers to the trading of swap contracts, forward contracts and non-standardized option contracts, as well as combinations thereof, other than futures trading; and it clarifies the functional positioning of the derivatives market in managing risks, allocating resources and serving the real economy.

(2) Clarifying the basic principles: All participating parties shall observe the principles of fairness, voluntariness, compensation, and good faith, and it is prohibited to engage in illegal and non-compliant conduct through derivatives trading, such as market manipulation, insider trading, trading on the basis of undisclosed information, non-compliant reduction of shareholdings, and improper transfers of benefits.

(3) Strengthening trader protection: It clarifies the trader suitability standards, provides that traders shall meet the standards for professional traders, and imposes real-name account requirements for derivatives trading.

(4) Strengthening the supervision of derivatives business institutions: It clarifies the internal control and risk management requirements, provides that a securities company or futures company applying to conduct derivatives trading business shall satisfy administrative licensing conditions such as maintaining net capital continuously at no less than RMB 500 million over the most recent six months, and provides that the CSRC may adjust the minimum net capital threshold in accordance with the principle of prudential supervision.

(5) Strengthening the supervision of market infrastructure: It establishes a derivatives trade repository to centrally collect, retain, analyze and manage derivatives trading information, and clarifies the relevant supervision and administration and legal liabilities.

Haiwen Comments

As the first departmental regulation for the derivatives industry under the supervision of the CSRC, the Measures further clarifies the principal institutional rules of the derivatives market by defining the scope of application, establishing trader suitability and real-name account requirements, regulating the market access and internal control of business institutions, and strengthening the supervision of market infrastructure. This is of significant importance for regulating derivatives trading conduct, preventing market risks, and protecting the lawful rights and interests of traders.

2. The State Council Issued the *Provisions of the State Council on Outbound Investment*

On May 5, 2026, the State Council issued the Provisions of the State Council on Outbound Investment (the "**Outbound Investment Provisions**"), which took effect on July 1, 2026. The Outbound Investment Provisions establishes, at the level of administrative regulations, a unified system for the administration of, and penalties relating to, outbound investment. The main contents include:

(1) Clarifying the scope of "investors": For the first time, "resident individuals" are expressly included within the scope of investors. It provides that investors include enterprises, other organizations and resident individuals within China, and authorizes the competent investment department and the competent commerce department under the State Council to separately formulate specific administrative measures for outbound investment by resident individuals.

(2) Implementing classified and tiered administration: It establishes the principle of classified and tiered administration and whole-process supervision, and provides that the competent investment department and the competent commerce department under the State Council, together with other relevant departments, shall define the scope of the three categories of outbound investment—encouraged, restricted and prohibited.

(3) Improving the security review system for overseas investment: Security review shall be conducted with respect to overseas investment that affects or may affect national security, as well as the transfer and disposal of related assets and interests; relevant organizations and individuals shall provide assistance and cooperation and may not refuse or obstruct such review.

(**4) Building an investment protection toolkit:** It establishes an investment barrier investigation system, sets up a countermeasure list mechanism dovetailing with the Anti-Foreign Sanctions Law, and provides for reciprocal measures against foreign organizations and individuals, which may be applied on a look-through basis to organizations that they actually control or in whose establishment or operation they participate.

(5) Systematizing legal liabilities: It clarifies multiple measures such as the confiscation of illegal gains, fines calculated as a certain percentage of the investment amount, and restrictions on market access, and establishes the "dual-penalty system," whereby, in addition to holding the entity liable, penalties are also imposed on the directly responsible person in charge and other directly responsible persons.

Haiwen Comments

The Outbound Investment Provisions, for the first time, includes resident individuals within the scope of investors, establishes a classified and tiered administration system of encouraged, restricted and prohibited investments together with a security review system for overseas investment, and builds an investment protection toolkit through investment barrier investigations, the countermeasure list and reciprocal measures. At the same time, it formally establishes the "dual-penalty system," filling the gap in property penalties in the field of outbound investment regulation and placing equal emphasis on entity liability and individual liability.

3. The NFRA issued the *Administrative Measures for Market Risks of Commercial Banks*

On June 20, 2026, the NFRA issued the Administrative Measures for Market Risks of Commercial Banks (the "**Measures for Market Risks**"), effective as of the date of issuance, consisting of five chapters and forty-three articles, with the core contents as follows:

(1) Definition of Market Risk: Market risk means the risk of loss in on-balance-sheet and off-balance-sheet positions arising from adverse movements in interest rates, exchange rates, equity prices, and commodity prices, which exists in both trading and non-trading activities. Interest rate risk in the banking book is subject to separate provisions.

(2) Governance Structure: The board of directors bears the ultimate responsibility, the board of supervisors performs the supervisory function, and the senior management is responsible for implementation. The functions of the three lines of defense shall be clearly defined, with an emphasis on overall risk control at the consolidated group level.

(3) Management Requirements: A full-process system covering identification, measurement, monitoring, control, and reporting shall be established, with enhanced internal model and stress-testing specifications, adhering to the four principles of prudence, comprehensiveness, proportionality, and professionalism.

Haiwen Comments

This Measures for Market Risks establishes a systematic risk control framework for commercial banks by clarifying risk boundaries, refining governance structures, and specifying full-process management, requiring banks to strengthen model validation and stress testing to effectively manage market risks.

4. The AMAC issued the *Detailed Rules for the Implementation of Information Disclosure of Private Investment Funds and the Template for Key Contents of Information Disclosure of Private Investment Funds*

On June 5, 2026, in support of the implementation of the Measures for the Supervision and Administration of Information Disclosure of Private Investment Funds issued by CSRC, the AMAC issued the Detailed Rules for the Implementation of Information Disclosure of Private Investment Funds (the "**Implementation Rules**") and the Template for Key Contents of Information Disclosure of Private Investment Funds, consisting of seven chapters and fifty-two articles. The main contents are as follows:

(1) Private Securities Funds: Refine net value and periodic report disclosures; nested investments shall be subject to look-through disclosure; annual reports shall be audited under specified circumstances.

(2) Private Equity Funds: Refine disclosures of net assets, related-party transactions, etc.; specify investment project contents; for nested investments, disclose the top ten projects on a look-through basis; annual reports of large-scale funds shall be audited.

(3) Interim and Liquidation Reports: Specify disclosure contents for material related-party transactions; disclose promptly after liquidation; if liquidation takes more than one year, disclose at least annually; liquidation reports of non-custodied funds shall be audited.

(4) Templates and Backup: Disclosure contents shall not be less than the template requirements; they shall be backed up on the Association's backup platform, which shall not serve as a disclosure channel.

(5) Self-Regulation: The Association may take measures such as interview reminders, written warnings, rectification within a time limit, as well as disciplinary sanctions including warnings and public reprimands.

Haiwen Comments

The Implementation Rules enhances transparency and operability of private fund disclosure through differentiated standards and look-through requirements. Managers must strictly comply with obligations, or otherwise face disciplinary actions, with significantly increased compliance pressure.

5.The AMAC Issued the *Detailed Rules for the Suitability Management of Investors in Publicly Offered Securities Investment Funds*

On June 11, 2026, AMAC issued the Detailed Rules for the Suitability Management of Investors in Publicly Offered Securities Investment Funds (the "**Suitability Rules**"), effective as of the date of issuance.

(1) Two-Way Assessment: Fund managers shall, prior to executing a distribution agreement, assess the distributor's suitability compliance and management capabilities, and the distributor shall provide relevant information upon request. If the distributor deems the information supplied insufficient to enable proper suitability matching, it is entitled to refuse to distribute the relevant products.

(2) Risk Assessment: Max 2 times/day, 8 times/12 months per investor; grade changes require confirmation; validity ≤12 months for ordinary investors, reassess upon expiry or changes.

(3) Product Classification: Establish a quantitative/qualitative system with clear scoring and grade mapping; higher equity exposure generally means higher risk grade (except hedge funds); review annually, reassess on major changes; distributors bear primary liability even if using third-party classification.

(4) Special Products and Protection of Elderly Investors: For complex, concentrated or high-risk products, enhance matching and disclosure; when selling high-risk products to ordinary investors aged 65 or above, exercise special care (additional information, step-by-step warnings, sufficient time, increased follow-up, full records).

(5) Non-Face-to-Face Sales and Retention of Records: For online sales of high-risk products to ordinary investors, embed suitability into the process, with full traceability of classification, assessment, matching, and disclosure.

Haiwen Comments

The Suitability Rules elevates suitability management from a principle-based requirement to an operational standard with quantifiable criteria, substantially increasing the compliance obligations and legal risk exposure of fund offering institutions. Such institutions are urgently required to implement rectifications at both the institutional and systemic levels to mitigate risks of administrative penalties and civil claims.

II Industry News

1. The General Office of the State Council Issued the *Guiding Opinions of the General Office of the State Council on Strengthening Supervision, Preventing Risks, and Promoting the High-Quality Development of Private Investment Funds*

On June 3, 2026, the General Office of the State Council issued the Guiding Opinions of the General Office of the State Council on Strengthening Supervision, Preventing Risks, and Promoting the High-Quality Development of Private Investment Funds ("**Doc No. 54**"). Doc No. 54 serves as the foundational instrument of the "1+N+X" policy and regulatory framework for the private fund sector. It systematically addresses longstanding structural deficiencies, including fragmented regulations, overlapping supervisory authorities, and decentralized governance. Building upon the Regulations on Supervision and Administration of Private Investment Funds, Doc No. 54 represents a top-level design that further reshapes the industry's regulatory landscape.

(1) Basic Principles and Core Concepts: Doc No. 54 requires private funds to return to their asset-management origins and establishes a policy direction of "optimizing new funds, revitalizing existing ones, supporting the best while eliminating the worst, and improving quality and efficiency." It explicitly prohibits private funds from engaging in credit-like activities through lending or "equity investments with debt characteristics." In terms of regulatory architecture, Doc No. 54 adopts differentiated supervision based on the source of capital and product types, adheres to the principle of "regulating both lawful and unlawful activities" (with stricter constraints on licensed institutions and resolute suppression of illegal operations), and emphasizes a risk-based approach.

(2) Front-End Governance and Access Mechanisms: Doc No. 54 refines the standards for registration and filing to curb, at the source, the entry of entities and products that do not genuinely meet the definition of private funds. It provides that, in principle, no new government-backed investment funds shall be established at the county or district level. A comprehensive consultation and assessment mechanism is introduced, under which applicants for registration and filing must first pass such consultation before they may apply for business registration. This consultation is jointly conducted by the provincial financial regulatory authority and the local office of the securities regulatory authority, and may not be delegated to lower levels. Without prior approval, the use of terms such as "private fund" or "venture capital fund" in an entity's name or business scope is prohibited.

(3) Ongoing Supervision and Institutional Improvement: Doc No. 54 calls for advancing the revision of the Securities Investment Fund Law and accelerating the promulgation of supporting rules on fund manager conduct, information disclosure, mandatory custody, and other key areas. It also provides specific rules for "valuation adjustment mechanisms". A risk-based dynamic evaluation system is established to enable differentiated supervision, with increased on-site inspection frequency for key institutions and enhanced oversight of cross-regional operations, illegal nominee holdings, and "channelling" practices. Leveraging big-data technology, a centralized risk monitoring platform for private funds will be built to strengthen information penetration analysis and improve the forward-looking nature of supervision.

(4) Market Clean-Up and Positive Guidance: A "dual clean-out" mechanism is introduced: institutions with major violations of laws or regulations shall be mandatorily deregistered, and managers that are long-term unreachable or operating abnormally without rectification within the prescribed time limit shall be subject to deregistration on a deadline. Priority support is given to private equity and venture capital funds that invest in early-stage, small-scale, long-term, and "hard-tech" enterprises, as well as merger-and-acquisition funds focused on strategic emerging industries. Doc No. 54 reinforces administrative penalties and criminal accountability, and establishes a long-term mechanism for risk resolution through central-local coordination.

(5) Regulation of Government-Backed Funds: The fiscal authorities shall strengthen budget constraints, performance evaluation, and full-life-cycle management of state-owned assets. The development and reform authorities shall enhance credit registration and guidance on investment direction compliance. Competent industry authorities shall reinforce operational monitoring to prevent deviations from policy objectives. Provincial governments bear the primary responsibility for overall coordination within their respective jurisdictions; in principle, no new fund of the same type shall be established where an existing one already exists. They shall also promote the integration of existing funds and ensure that the supervisory duties of capital contributors are effectively fulfilled.

2. The NFRA Issued the *Guiding Opinions on the Safe Development and Application of Artificial Intelligence in the Banking and Insurance Sectors*

On June 18, 2026, the NFRA issued the Guiding Opinions on the Safe Development and Application of Artificial Intelligence in the Banking and Insurance Sectors (the "**AI Guiding Opinions**"), which aims to regulate the development and application of artificial intelligence by financial institutions in the banking and insurance sectors, and to guide the application of artificial intelligence in the financial field toward healthy and orderly development that is beneficial, safe and fair. The main contents include:

(1) Clarifying the general principles: Adhering to the principles that "whoever uses shall be responsible," maintaining independent controllability, being pragmatic and efficient, and pursuing safe development, so as to consolidate the primary responsibility of financial institutions as providers of financial services and users of artificial intelligence technology.

(2) Improving the governance structure: The board of directors shall designate a specialized committee to be responsible for the management of the development and application of artificial intelligence, establish a whole-lifecycle management system covering demand analysis, data preparation, training and development, deployment and operation, maintenance and iteration, and evaluation and exit, and implement classified and tiered risk management.

(3) Advancing high-level development and application as well as data and computing power infrastructure: Encouraging the establishment of one-stop development platforms and evaluation systems, and implementing access management for generative artificial intelligence models (those introduced externally must be filed with the cyberspace administration authorities); continuously advancing the development of high-quality data sets, and deploying, as needed, independently controllable, safe and efficient intelligent computing power resources.

(4) Improving the risk governance framework: Incorporating artificial intelligence risks into the comprehensive risk management system, implementing classified and tiered risk management, strengthening the access requirements for high-risk applications (which must be approved by the risk management committee), and reinforcing the monitoring and intervention of high-risk applications as well as the management of outsourcing risks, supply chains and open-source technologies.

(5) Enhancing the capability for safe development and application: Setting out specific requirements in terms of enhancing robustness, improving transparency, promoting explainability, safeguarding ethics and fairness, strengthening data security and personal information protection, enhancing cybersecurity defense capabilities, and reinforcing operational resilience and business continuity management.

3. The CSRC and Eight Departments Jointly Issued the *Implementation Plan for the Comprehensive Rectification of Illegal Cross-border Securities, Futures and Fund Business Activities*

On May 9, 2026, the CSRC and eight departments issued the Implementation Plan for the Comprehensive Rectification of Illegal Cross-border Securities, Futures and Fund Business Activities (the "**Rectification Plan**"), which aims to further prevent and combat illegal cross-border securities, futures and fund business activities and to safeguard the order of the financial market and the lawful rights and interests of investors. Its main contents include:

(1) Clarifying the targets and characterization of the rectification: Where an overseas institution conducts securities, futures or fund business within China without the approval of the securities regulatory authority under the State Council, this constitutes illegal cross-border business activity and shall be banned in accordance with the law; the targets of the rectification include overseas institutions, domestic affiliated or cooperating entities that assist their illegal cross-border operations, domestic illegal intermediaries, and relevant internet platforms and online self-media.

(2) Highlighting whole-chain governance: The banning requirements cover all business links, including marketing and solicitation, account opening, processing of trading instructions, and fund transfers, and overseas institutions are strictly prohibited from illegally providing account opening and trading services within China in any form.

(3) Prudently winding down existing business: A two-year concentrated rectification period is set, during which it is prohibited to illegally provide services such as buy transactions and inbound fund transfers within China for existing investors, and only one-way sell transactions and outbound fund transfers are permitted; upon expiry of the concentrated rectification period, domestic websites, trading software and supporting servers shall be fully shut down. The safety of investors' assets shall not be affected by the rectification.

(4) Strengthening inter-ministerial and central-local coordination and compliance guidance: The rectification measures cover multiple fields such as securities regulation, foreign exchange administration, banking supervision, cyberspace administration, and the combating of crime; at the same time, the regulatory system is improved to guide domestic investors to conduct overseas investment through lawful channels such as the Stock Connect, Qualified Domestic Institutional Investors ("QDII") and the Cross-boundary Wealth Management Connect.

For a detailed interpretation, please refer to Haiwen's article on the official account: Haiwen Observation | The Regulatory Endgame for Cross-border Internet Brokers: The Curtain Falls on the Grey Era, and the Compliance Boundaries Become Entirely Clear.

The source of Information

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