

SSE to Regulate Enterprise Bonds' Registration, Custody and Settlement (2008-06-13)

The "Notice of Issuance, Registration, Custody, Trading, Settlement and Charges of Bonds Issued with the Approval of Relevant Authorities under the State Council and Registered in Securities Accounts" (the Notice), issued recently by the Shanghai Stock Exchange (SSE) and the China Securities Depository & Clearing Corp., Ltd., stipulates that the listing, custody, trading, settlement, payment of principal and interest and charges of bonds, which are issued with the approval of relevant authorities under the State Council and registered in securities accounts, should be implemented according to the rules on corporate bonds issued with the approval of the China Securities Regulatory Commission.

According to the Notice, regarding the bonds issued with the approval of relevant authorities under the State Council and registered in securities accounts, if they are issued through SSE's system, the issuance and registration should be conducted according to the relevant rules on corporate bonds; otherwise, the registration should be processed in a way filed by the issuer.

The Notice also stipulates that the spot trading of such bonds shall be executed simultaneously through the SSE auction trading system and on the comprehensive electronic platform of fixed income securities and same security codes and ticker symbols shall be adopted. Meanwhile, orders for such trading shall be placed through the securities accounts and executed at net price and settled at full price. In addition, if qualified, such bonds are allowed to participate in new general collateral repos, with requirements for repo qualification and conversion ratio pursuant to the current rules on corporate bonds.

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