



China, People's Republic of: Improving the Legal Framework for Securities and Futures Markets

Project Name	Improving the Legal Framework for Securities and Futures Markets					
Project Number	48008-001					
Country	China, People's Republic of					
Project Status	Active					
Project Type / Modality of Assistance	Technical Assistance					
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">TA 8684-PRC: Improving the Legal Framework for Securities and Futures Markets</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 300,000.00</td> </tr> </table>		TA 8684-PRC: Improving the Legal Framework for Securities and Futures Markets		Technical Assistance Special Fund	US\$ 300,000.00
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Strategic Agendas	Inclusive economic growth					
Drivers of Change	Governance and capacity development					
Sector / Subsector	Finance - Banking systems and nonbank financial institutions					
Gender Equity and Mainstreaming	No gender elements					
Description	<p>The TA will provide inputs to support the review of the draft of the revised Securities' Law and also the draft of a new Futures' Law. These inputs will be used in the legislative process to prepare for the first and subsequent readings of the laws by the Standing Committee of the NPC. Work on Securities' and Futures' Laws has already been listed on the 5-year lawmaking plan of the Standing Committee of the 12th NPC. The TA directly supports the process to enable up-to-date and complete legislation to facilitate development of the financial system. The TA builds on prior ADB work on legislation that includes ADB's Law and Policy Reform program in the PRC from 1993 to 2003 that facilitated the development of commercial and economic laws. The work resulted in adoption of the first Securities Law, Trust Law, Company Law (amendment), Bankruptcy Law, and legal adjustment relating to antidumping, countervailing duties, safeguards, import and export of goods, Foreign Trade Law, and cross-border merger and acquisition, upon accession to the World Trade Organization. The TA is also related to the existing TA, Developing a Legal System for the Credit Market and to the closed TA on Capacity Building of the Capital Markets' Regulatory System.</p>					
Project Rationale and Linkage to Country/Regional Strategy						
Impact	More efficient, innovative, and stable financial market to better serve the real economy.					

Project Outcome

Description of Outcome	Updated legal frameworks to support continued expansion and innovation in securities' and futures' markets integrating a balanced approach between financial stability and financial innovation.
Progress Toward Outcome	Current focus of the project remains on the securities law amendment pending completion of a final draft for the second reading. The date of the second reading has not yet been determined. Focus on the futures law has not yet begun as no date for a first draft reading has been proposed.

Implementation Progress

Description of Project Outputs	Analysis of the status of the legal framework for the securities' and futures' markets and preparation of inputs to the amendment of the Securities' Law and new draft Futures' Law.
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Research currently focuses on supporting specific questions and issues raised by the executing agency regarding the securities law amendment. A study tour was held in November 2015 to France to visit the securities regulator, the Paris Bourse and various other counterparts. Plans to hold a conference that includes international and national experts to discuss the draft securities law amendments will be proposed after the second reading and likely in 1H17. Due to delay in plans of the executing agency to begin work on the futures law and in line with the governments plans, the TA closing will be extended from January 2017 for an additional 12 months.</p> <p>Extension for 9 months has been approved to allow for work to finalize inputs to the securities law by providing comments on the published draft and a re-direction of efforts to the proposed futures law. It will also allow time to hold the workshop on securities in Q3 2017.</p>
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Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design The EA was closely integrated into the project design.

During Project Implementation The EA has taken steps to coordinate the work of consultants at project start-up. Regular communication has occurred between the EA and ADB that has included review missions. Review missions were held in February and August 2016.

Business Opportunities

Consulting Services One international consultant for 6 person-months and two national consultants for 11 person-months total will be engaged in accordance with ADB's Guidelines on the Use of Consultants (March 2013, as amended from time to time), and proceeds will be disbursed in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). An Advance Payment Facility will be used for training, seminar and conference administration by the EA.

Responsible Staff

Responsible ADB Officer	Giannetto, Giacomo G.
Responsible ADB Department	East Asia Department
Responsible ADB Division	Public Mgt, Financial Sector and Regional Coop Division, EARD
Executing Agencies	<i>Legislative Affairs Commission 1, Qianmen Xidajie, Xicheng District, Beijing, People's Republic of China</i>

Timetable

Concept Clearance	19 May 2014
Fact Finding	07 Apr 2014 to 08 Apr 2014
MRM	-
Approval	10 Jul 2014
Last Review Mission	-
Last PDS Update	28 Mar 2017

TA 8684-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
10 Jul 2014	01 Aug 2014	01 Aug 2014	31 Jan 2017	31 Oct 2017	-
Financing Plan/TA Utilization				Cumulative Disbursements	

ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
300,000.00	0.00	0.00	0.00	0.00	0.00	300,000.00	10 Jul 2014	109,204.59

Project Page

<https://www.adb.org/projects/48008-001/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=48008-001>

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