



## Mainland banks get UK stocks go-ahead

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A general view of the entrance atrium at the London Stock Exchange is seen in central London, Feb. 23, 2007. (Xinhua/Reuters File Photo)

BEIJING, Dec. 18 -- The Chinese mainland will let its commercial banks invest in UK stocks and funds in the first expansion of the country's international investment program outside Hong Kong.

The nation reached an agreement with the UK financial regulator for investments by the banks under the qualified domestic institutional investor, or QDII, program, the China Banking Regulatory Commission said on its Website yesterday.

The government is loosening restrictions on overseas investment to counter inflows from a record trade surplus that have driven up local stock and property prices, Bloomberg News said. The mainland will "soon" come to a similar agreement with the United States authorities, the regulator said.

"Expanding the number of markets that QDII funds can invest in helps raise banks' investment and risk management capacities, and also helps investors diversify their risk," the statement said, without providing further details.

The release didn't say when QDII funds can start investing in the UK.

The mainland is prodding QDII fund managers to invest in "mature" foreign markets to spread risk, and encourages individuals to draw upon the expertise of institutional investors, said Li Fu'an, who oversees product innovation at the banking watchdog, in a speech last Thursday.

"Many Chinese investors are inexperienced with overseas markets and should go through the QDII program to reap the knowledge of institutional investors," he said.

Under the QDII program, the country's banks, fund managers and insurers may purchase products such as overseas equities, government and corporate bonds, and fixed-income instruments.

The Chinese mainland on August 20 announced a pilot program that allows people with a Bank of China Ltd account in Tianjin to buy Hong Kong equities.

(Source: Shanghai Daily)

A news screen shows the FTSE 100 index value on a building in London's Canary Wharf financial district on March 17, 2006. (Xinhua/Reuters File Photo)

China's 1st JV investment bank obtains QDII quota

BEIJING, Dec. 17 (Xinhua) -- China International Capital Corp. (CICC), the country's first joint-venture investment bank, acquired a qualified domestic institutional investor (QDII) investment quota of 5 billion U.S. dollars, a senior foreign exchange management official said over the weekend.

Chinese official urges U.S. to clarify foreign investment policy

BEIJING, Dec. 12 (Xinhua) -- A senior Chinese official on Wednesday urged the United States to clarify the range of sectors where investment by foreign firms might be required to undergo scrutiny.

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