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China-France Joint Fact Sheet on the 6th High Level Economic and Financial Dialogue

(December 7th, 2018, Paris)

Constructing a close and durable Sino-French comprehensive economic strategic partnership

The China-France High Level Economic and Financial Dialogue (HED) is a key platform for bilateral communication and policy coordination on strategic, overarching and long-term issues in the economic and financial fields. The last five rounds of Dialogue, which were held in November 2013, September 2014, September 2015, November 2016 and December 2017 respectively, have made active contribution to the expanding and deepening of the Sino-French comprehensive strategic partnership.

Chinese Vice-Premier Hu Chunhua and French Economy and Finance Minister Bruno Le Maire co-chaired the 6th HED on December 7th, 2018 in Paris. They were joined by a high-level delegation of senior officials from broader authorities of both countries. To constantly intensify the close and durable Sino-French comprehensive economic strategic partnership in an innovative manner, both sides held an in-depth discussion on moving forward macroeconomic policy coordination and global economic governance, coordinating on environmental issues, cooperating in third markets and on connectivity, cooperating on trade and investment, promoting industry and major projects cooperation, developing agriculture and agri-food industry cooperation and deepening financial cooperation. During the 6th HED, both sides reached consensus as follows:

I. Macroeconomic policy coordination and global economic governance

1. Both sides reaffirm that they will strengthen their communication and coordination under the G20 framework, support the critical role of the G20 as the premier forum for international economic cooperation and promote the G20 to play a more active role in global economic governance. Both sides reiterate the importance of G20 in leading world economic development, building an open world economy and combating all forms of unilateralism and protectionism by ensuring a level playing field. Both sides support G20 in promoting dialogue and cooperation in the areas of structural reform, digital economy, sustainable development, international financial architecture, anticorruption and infrastructure investment and achieving a strong, sustainable, balanced and inclusive growth of world economy.

2. Both sides agree to maintain close communication and cooperation in implementing the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda. They commit to further align their actions with the Agenda and its integral part, the Addis Ababa Agenda on Financing for Development, domestically and internationally, including in support of developing countries and the provision of public goods.



3. Trade and investment are important engines of growth, productivity, innovation, job creation and development. Both sides reaffirm their support to the rule-based, non-discriminatory, open, inclusive and transparent multilateral trading system with the WTO at its core.
4. France welcomes China's commitment to further improving its offer to accelerate the process of its accession to the WTO government procurement agreement, as mentioned by President Xi Jinping's speech in Bo'ao. Both sides agree that equal treatment of foreign and national enterprises with regards to public procurement is an important component of fair competition to allow for non-discriminatory access of foreign companies to public tenders
5. In order to maintain the authority and efficiency of the multilateral trading system, we call upon all WTO members to abide by their commitments and obligations within the WTO.
6. We reaffirm the conclusions on trade of the G20 Leaders communique in Buenos Aires. We hope to see progress by the next G20 summit. Both sides will play a constructive role in the discussion of the WTO reform in order to improve the WTO to face current and future challenges. In this regard, both sides welcome the establishment of the EU/China joint working group on WTO reform and look forward to more progress.
7. Recalling our commitments from Hangzhou and Hamburg we welcome the concrete policy solutions developed by the global forum on steel excess capacity (GFSEC), facilitated by the OECD. We call on all members to implement the Berlin and Paris GFSEC Ministerial recommendations and commitments. We look forward to a substantive report by June 2019.
8. Both sides reiterate their support to the International Working Group (IWG) in negotiating a new set of international guidelines to officially supported export credits.
9. Both sides welcome the adoption of the IBRD capital increase resolutions, which is a critical first step towards effective implementation. We look forward to the ongoing efforts by shareholders to secure outstanding adoptions of the IFC resolutions.
10. Both sides will strengthen cooperation at the IMF and further complete the IMF quota and governance structure reform. Both sides support a strong, quota-based and adequately resourced IMF to preserve its role at the center of the GFSN. Both sides support the IMF to complete the 15th General Review of Quotas and agreeing on a new quota formula as a basis for a realignment of quotas shares to result in increased shares for dynamic economies in line with their relative positions in the world economy and hence likely in the share of emerging market and developing countries as a whole, while protecting the voice and representation of the poorest members. Both sides welcome broader use of SDR to further improve the resilience of the international monetary system such as using SDR as accounting unit in a wider range and issuing SDR denominated bonds.
11. (1) Both sides reaffirm the Paris Club's role as the principal international forum for restructuring official bilateral debt and support its work on sovereign debt issues. Both countries welcome further expansion of the Paris Club to other emerging creditors. China will continue to participate in Paris Club meetings regularly and intends to play a more constructive role, including further discussions on potential membership. France will help China to deepen understanding of Paris Club.



(2) To contain the debt buildup of sovereign debt in developing and low income countries while allowing adequate access to financing, both sides underline the importance of ensuring transparent, sound and sustainable financing practises for both borrowers and creditors, both official and private. Both sides therefore welcome the G20 OGSF and call for their follow up.

12. Both sides agree to improve anti-money laundering and combating terrorist financing (AML/CFT) through the promotion of FATF international standards. As China holds the vice-presidency of this institution, France will make sure to support FATF in strengthening its resources, legitimacy and means. Central banks from both countries will continue to discuss the MoU on AML/CFT Supervision, endeavoring to reach an agreement on the text and complete the signing in due time. Both sides call on their Financial Intelligence Units to strengthen cooperation on the exchange of AML/CFT Intelligence.

13. Both sides agree to continuously maintain close cooperation and take measures in coping with cross-border tax evasion and avoidance. Both sides are working on enhancing tax certainty and with the OECD on the tax challenges raised by the digitalization of the economy. Both sides will continue to support G20 commitment on promoting tax transparency and implementing automatic exchange of information and call on all jurisdictions to comply with the internationally agreed standards of transparency and exchange of information in the tax area within the timeframe they have committed. Both sides are committed to helping developing countries, especially low income countries, strengthen their capacity building in tax policy and administration through various forms.

14. Both sides commit to promote cooperation within frameworks such as the G20 Anti-corruption Working Group (ACWG).

II. Cooperation on environmental issue

15. According to the Joint Statement issued by President Emmanuel Macron and President Xi Jinping on January 9th, 2018, both sides look forward to the fruitful coordination on environmental issues, particularly on the issues of climate change and conservation of biodiversity. Both sides welcome the French Chinese Environmental Year launched on November 19th, 2018.

16. Both sides reaffirm their commitment to support the adoption of a comprehensive, balanced and robust outcome of the Paris Agreement Work Program and to maintain the collective ambition that will ensure the success of the Talanoa Dialogue, the Pre-2020 Stocktake and the High Level Ministerial Dialogue on Climate Finance during the ongoing 24th Conference of Parties (COP24) of the UNFCCC in Poland, with the aim to achieve the full and effective implementation of the Paris Agreement.

17. Both sides welcome the Sharm-El-Sheikh Ministerial Declaration “Investing in Biodiversity for People and Planet” issued on November 15th, 2018, during the 14th Conference of Parties of the convention on biological diversity held in Egypt. They commit to intensify their efforts in order to develop a post-2020 global biodiversity framework, with a level of ambition and practicality that will facilitate the transformational changes needed to achieve the 2050 Vision for Biodiversity and to encourage mobilization of business sector and non-State actors at the 15th Conference of the Parties on biodiversity in Beijing in 2020.



18. (1) Both sides congratulate on the successful launch of Chinese-French Oceanic Satellite (CFOSAT) at Jiuquan Launch Center on October 29th, 2018, and will actively enhance the significance of CFOSAT data in fields of monitoring global oceanic environment, disaster prevention and mitigation and climate change.

(2) Both sides agree, in accordance with the MoU on Space-based multi-band astronomical Variable Objects Monitor (SVOM) project, to further promote research progress and ensure the launch by the end of 2021.

III. Cooperation in third markets and on connectivity

19. Both sides welcome the agreement reached in Beijing on November 8th 2018, on the second-round list of priority projects in third markets. They agree to keep on developing partnerships in third markets on the basis of the economic governance principles and rules defined by the joint statement adopted by France and China on June 30th 2015.

20. Both sides expect the Sino-French Third Market Cooperation Fund to develop projects on commercial basis and to report to the Sino-French Third Market Cooperation Steering Committee.

21. France welcomes the Belt and Road Initiative proposed by China. Both sides support the ongoing work between the EU and China to forge synergies between the various initiatives on connectivity, including in the field of transport infrastructure. Such cooperation should abide by the shared principles of market rules, transparency, sustainable economic development, open procurement and a level playing field for all investors, and comply with established international norms and standards, respective international obligations, as well as the law of the countries benefitting from the projects, while taking into account their policies and individual situations.

IV. Cooperation on trade and investment

22. (1) As agreed in the joint declaration between President Xi and President Macron in January 2018, China and France will continue to work actively to implement the China-EU 2020 strategic agenda for cooperation and deepen the China-EU comprehensive strategic partnership in areas of mutual interests, in a spirit of mutual and reciprocal benefit. Both sides agree that free trade, fair market access and equal treatment of companies are the driving forces of bilateral trade relations. Both sides reaffirm their commitment to actively rebalance bilateral trade and investment relations by encouraging concrete cooperation.

(2) Both sides reiterate the important role that the Joint Commission on Trade and Investment plays in facilitating trade and investment, fighting protectionism, improving market access and framework conditions for companies and developing new bilateral sectorial cooperation. In the wake of President Macron's first State visit to China and following the 25th Joint Commission on Trade and Investment held in Beijing on September 14th 2018, China welcomes the French proposal to define and implement concrete actions regarding the facilitation of French companies' access to the Chinese markets and the improvement of the accompanying of Chinese investors in France.



23. France appreciates the 40th anniversary of China's reform and opening up and reiterates its eagerness to see new opening measures that will lead to new meaningful opportunities for French businesses on the Chinese market. Both sides recognize that an open market economy requires a stable, fair and transparent legal environment and fair competition. Both sides promise to avoid taking measures leading to and protect foreign investors against any form of discrimination in their day-to-day activities including licensing procedures, access to public procurement, public financing, R&D schemes and technical standards-setting. Both sides agree that licensing systems should be risk-based, transparent, timely and predictable. Both sides protect autonomous corporate decisions as the key cornerstone of corporate engagement.
24. Both sides agree to maintain a dynamic and mutually beneficial bilateral relation on investments in the long run and welcome meaningful foreign direct investments that create employment and growth. Both governments commit to fostering a fair and predictable business environment based on equal treatment of foreign and national investors.
25. Both sides reiterate the need to intensify their efforts in the ongoing negotiations towards an ambitious and comprehensive investment agreement between China and the EU, which shall include investment protection, market access and other elements further facilitating investment. They welcome the first exchange of offers on market access, which shall be further improved through the negotiation with the view to reduce investment restrictions and promote investment liberalization.
26. Both sides agree to further strengthen bilateral cooperation in the field of intellectual property (IP) under the frameworks of China-France Cooperation Agreement on Intellectual Property, as well as other relevant bilateral cooperation agreements and mechanisms. Both sides recognize the important role of intellectual property in promoting innovation and economic growth and underline the mutual benefits of bilateral cooperation in this field. The two sides will organize the Joint Committee Meeting on Intellectual Property in 2019 to share the best practices in IP creation, protection and utilization.
27. Both sides will cooperate to strengthen the legal protection and effective enforcement systems of geographical indications (GI) and trademarks in China and France.
28. Both sides agree to strengthen the cooperation on the enforcement of Intellectual Property Rights (IPR) both offline and online, and in particular continue to welcome initiatives with e-commerce and social media platforms to use reasonable best efforts to adopt appropriate, proactive and preventive actions against suspected IPR violations by relying on available information, technology and resources.
29. Both sides will exchange best practices about building a predictable IP judicial system, especially written procedure, transparency of communication between litigants and judges, evidence exchange proceedings, preliminary injunctions, evidence preservation orders.



V. Cooperation on industries and major projects

30. Both sides emphasize that science, technology and innovation play an important role in promoting economic and social development, and are willing to strengthen cooperation and exchange on technology and innovation, building on the best practices from both sides. In that regard, both sides welcome the 14th China-France Science and Technology Cooperation Joint Commission meeting to be held in Beijing early next year.

31. Both sides agree to expand communication and cooperation through platforms including the Sino-French Business Council, in order to push forward pragmatic cooperation between small and medium-size enterprises in China and France.

32. Both sides welcome the second meeting of the China-France Energy Dialogue between National Energy Administration of China and the Ministry for Ecological and Inclusive Transition of France held in Paris on December 5th, 2018. This Dialogue provided an opportunity to hold meaningful discussions on respective energy policies and to deepen the institutional and industrial cooperation between both countries. Both sides agree to keep on implementing the Cooperation Agreement on Nuclear Power Codes and Standards signed in November 2017, to promote effectively nuclear power codes and standards cooperation.

33. (1) Both sides reiterate their commitment to supporting the development of the peaceful uses of nuclear energy and to ensuring high standards of nuclear safety, security and non-proliferation. They welcome the progress made in implementing the Joint Statement on Deepening Civil Nuclear Energy Cooperation which was issued on June 30, 2015 in Paris. Both sides are willing to give a new impetus to this partnership in the year 2019.

(2) Both sides warmly welcome that Taishan (Unit 1) was connected to the electric grid and will start operation soon to become the first operational EPR reactor worldwide, which is an important contribution to the French-China nuclear partnership in compliance with the highest safety and non-proliferation standards. 2019 is due to witness the completion of Taishan Unit 2. Both parties are committed to steadily support the completion of the construction of the Taishan EPR Unit 2 under the premise of quality assurance.

(3) Both sides agree to promote the smooth implementation of the Hinkley Point C (HPC) project. Especially, both sides agree to support the ongoing HPC construction with a view of completing the nuclear island basemat by mid 2019 and under the condition of assuring safety and economic efficiency, and to fully utilize feedback from Taishan into HPC. Both sides welcome the on-going progress on the Sizewell C project. The French side presented that after the completion of the two first stages of public consultation, the third period of consultation will run from January until March 2019 after which an application will be submitted for a Development Consent Order (DCO). Both sides support the ongoing discussions for the implementation of the Sizewell C project. Both sides welcome the on-going progress on the UK HPR1000 Generic Design Assessment (GDA) which entered to Step 3 in November 2018 and is planned to get end in early 2022.

(4) Both sides emphasize that these current realizations and projects in China and in the United Kingdom to meet the needs of those countries demonstrate the efficiency of the cooperation between the two industries. This deserves to be extended in order to increase the mutual benefits of this cooperation. Both sides encourage the two national industries to submit new project proposals.



34.(1) Both sides value the importance of the closed nuclear fuel cycle for the sustainable development of nuclear energy and support the ongoing negotiations so that the project of a spent fuel reprocessing-recycling plant in China materializes safely, economically and in the mutual interest of both parties. Both sides welcome the signature in January 2018 of the framework for cooperation on the reprocessing-recycling plant, witnessed by the presidents of both countries. Both sides are satisfied with the fruitful meeting last July of the high level committee on the back-end of the nuclear fuel cycle. Both sides will meet soon with the aim to conclude the negotiations on intergovernmental agreement. Both sides encourage Orano and CNNC to accelerate negotiations, including on pricing, with a view to finalizing them as soon as possible. Both sides will review regularly the process of negotiation, with a first review in January 2019, to ensure the efficiency of the convergence.

(2) Both sides will continue to deepen their cooperation in the areas of nuclear research and development under the framework of the collaboration protocol between CAEA and CEA on the peaceful use of nuclear energy, fostering more collaborative work and deepening the cooperation in the whole nuclear science and industry chain.

35. (1) Both sides agree to continue to exchange information on their national energy policies.

(2) Both sides agree to continue promoting cooperation regarding energy transition notably in the renewable energy field, and encourage relative enterprises and institutions to cooperate in diversified ways including technology research and development, equipment contracting, engineering and construction, operational management, in a bid to jointly promote energy transition and sustainable development of both sides.

(3) Both sides agree to strengthen cooperation in electricity and gas security and markets.

36. (1) Both sides will implement “MoU to expand the cooperation on space for climate change studies and space exploration” and “Specific agreement on the support of the proposal of a Space Climate Observatory”, witnessed the signature by the leaders of both countries this year. Both sides will jointly devote to advance the cooperation on earth science, space science, space life science, lunar and deep space exploration and climate change, establish the Space Climate Observatory.

(2) Both sides agree to guide the Cooperation between Chinese and French space organizations and enterprises to jointly explore the third market of satellite development and launch services.

37. (1) China and France wish to continue to strengthen their good cooperation in the aeronautical field. Both sides invite Airbus and its Chinese partners to hold discussions for new cooperation on A330, A350 and A380. China, in line with development needs of its air transport market, wishes to continue its purchase of Airbus aircraft on the basis of mutually beneficial and friendly negotiations with the French side. China and France are happy with the prospect of new contracts signing in the future.

(2) Both sides note with satisfaction the mutually beneficial bilateral cooperation in aviation industry and welcome the development of cooperation of French companies in the framework of China-Russia wide body aircraft project CRJ929. Both sides support the initiatives to optimize the supply chain in aviation industry, which will allow new opportunities for Chinese and French companies. Airbus is encouraged to reinforce their efforts in fostering potential Chinese suppliers and in allocating more new work packages to certified suppliers, so as to achieve one billion dollar target of industrial cooperation in China by 2020.



(3) Both sides acknowledge that Aviation Safety is a major priority for the development of the aviation industry, in the context of a rapid growth of the traffic. Therefore, both sides encourage mutually beneficial cooperation in the fields of training the next generation of aviation professionals, air traffic flow management and unmanned aircraft system traffic management.

38. (1) France and China are both implementing cross-disciplinary programs in order to accelerate the modernization and the digitization of their industries and to foster innovation. Both sides are committed to strengthening their exchanges within the framework of the French-China Committee on Industry between Ministry of Economy and Finance and the MIIT. Both sides welcome the upcoming signature of a new MoU on cooperation between Ministry of Economy and Finance and MIIT.

(2) Successfully set up under the aegis of the French-China Committee on Industry between Ministry of Economy and Finance and the MIIT, the Sino-French Partnership for Modern Industry between Alliance of Future Industry and CIETC should play the role of a bridge to facilitate cooperation in the field of regulation, technological cooperation, standards, education and training, and among interested SMEs. This cooperation will be conducted on an equal and voluntary basis, respecting business confidentiality.

(3) Both sides welcome the upcoming publication by the Center for International Economic and Technological Cooperation of Ministry of Industry and Information Technology (CIETC) and Alliance of Future Industry of a second list of pilot projects in the areas of smart manufacturing, green manufacturing, education and training etc.

(4) Both sides support the strengthening of Franco-Chinese cooperation in the field of vocational training as applied to advanced manufacturing, green manufacturing, automotive industry, electronic information and digital economy etc. Both sides support the development of the partnerships sealed between *Union des industries et métiers de la métallurgie* and the Haining government as well as between Beihang University and Centrale Pékin.

39. Both sides recognize that the development of green industry is a major challenge to meet the COP 21 commitments. Within the Working Group on Green Manufacturing set up by DGE and MIIT, both sides encourage enterprises and research institutes to cooperate in the field of standardization for green manufacturing equipment and in the construction of green factories and green industrial parks. Both sides welcome and pledge their support to the strategic partnership sealed between CIETC and Schneider Electric in the field of green and smart manufacturing.

40. Both sides agree to deepen the cooperation under the mechanism of the China-France Standardization Cooperation Committee, which was established in 2013, and hold the 2018 Committee Meeting in December (Shenzhen), to jointly promote the standardization cooperation in the fields of Smart Cities/Sustainable Development, green finance, agricultural food, circular economy, e-commerce, silver economy, automotive, green manufacturing, smart manufacturing, etc.

41. (1) The automotive industry plays a major role in the strengthening of the bilateral relationship between China and France. Both sides acknowledge the importance of transparent and fair principles in the implementation of industrial policy. Based on reciprocity and in accordance with Chinese, French and European legislations, both sides agree to facilitate the implementation of the technical solutions developed by Chinese and French companies in these fields.



(2) Both sides welcome the latest meeting of the annual bilateral working group on automotive industry held in Wuhan. They also welcome the deepening of relationships between China Automotive Technology and Research Centre and Bureau de Normalisation de l'Automobile on global standards and regulation. France and China also stress their mutual interest in exchanging on regulations regarding new energy vehicle and autonomous driving and to cooperate in setting up a fair, stable and transparent legal framework favourable to the development of green and connected mobility.

(3) Both sides welcome the setup of a new venture dedicated to new energy vehicles between Dongfeng, Renault and Nissan and look forward to its entry into service.

VI. Agriculture and Agri-Food industry

Both sides agree to improve the Sino-French Agriculture and Agricultural Food Committee Mechanism and to ensure regular meetings of this Committee. Especially, both sides recognize the importance of cooperation to ensure the development of exchanges between France and China on agricultural and agri-food matters.

42. Both sides commit to deepen cooperation in agriculture, in the framework of the joint declaration signed on January 9th, as well as implement the conclusions of the constructive and fruitful meetings held on November 4th, 2018 (between the MAA and the MARA) and on November 6th, 2018 (between the MAA and the GACC) in Shanghai.

43. Both sides agree to deepen cooperation on agricultural vocational education and training, in the framework of the agreement signed on November 4th, 2018, and support activities organized by the French-Chinese Centre for agricultural training and revitalization of rural services, including personal exchanges, training material preparation and policy dialogue. In this prospect, France is willing to share with China mature experience in agricultural training system. The programs of cooperation and their implementation shall be decided by the management committee according to the stipulations of this agreement.

Both sides agree to enhance policy exchanges and share experiences, as well as to identify, plan and develop cooperation activities in the framework of the joint declaration signed on January 9th, on topics relevant and of common interest to both countries. Such activities may include – but are not restricted to – rural revitalization, including modernization of smallholder farmers, development of rural industries, support to agro-ecology and eco-farming.

44. China is ready to conduct exchanges with France on Globally Important Agricultural Heritage Systems (GIAHS) initiated and promoted by FAO, which is a part of the consensus reached at the G20 Agriculture Ministers' Meeting in Xi'an in 2016.

45. Both sides attach importance to farmers' cooperative organizations in agricultural development. France is willing to share with China its experience and practices in the management of farmers' cooperative organizations, especially in agricultural cooperatives management, the role of farmers' organization in transactions and logistics of agro-products, etc.



46. Both sides recognize the importance of relevant platforms such as joint laboratories for future cooperation and to continue supporting their national agricultural academies (INRA and CAAS) to deepen their cooperation under this framework, especially focusing on such important areas as agricultural remote sensing, animal and crop breeding, agro-processing, greenhouse horticulture, agroecology and climate change, agro-product quality and food safety.

Both sides recognize the importance of the French-Chinese Sanitary and phytosanitary (SPS) Committee and agree to ensure regular meetings of this Committee.

47. (1) In this context, both sides wish to deepen cooperation and implement joint training in SPS issues. Especially, a training onto the implementation of Chinese food health standards in French exporting plants will be implemented in 2019. Similarly, both sides wish to deepen cooperation in e-certification, in the framework of the agreement signed on January 10th, 2018.

(2) In the spirit of the constructive and fruitful SPS Committee, held in Paris on September 19th, 2018, China shall grant approval to those French beef meat (as a conclusion of the tight cooperation that China and France built during the 1st semester of 2018), pork meat and dairy industries satisfying Chinese requirements by the end of the year. China shall also organize a new inspection mission during the 1st semester of 2019 in meat and infant formula sectors.

48. The Chinese side has approved 27 Infant milk formula recipes of 3 French companies, and the formula recipes of 1 French company are in examination process. The Chinese side wishes that the French candidate companies cooperate with Chinese authorities by positively submit supplementary materials so that the Chinese side can speed up the examination process accordingly on the basis of sino-french friendship.

49. As France is free from Highly Pathogenic Avian Influenza (HPAI) since October 27th 2017, China shall accelerate the evaluation process and, on the basis of the technical elements already communicated on the request of the Chinese side and of a field investigation that will be launched shortly, both sides look forward to lifting the ban on avian products by March 2019 and resuming the trade of avian products by April 2019.

50. Regarding African swine fever (ASF), France reminds that it is free from this disease. Both sides commit to strengthen cooperation and experience sharing concerning HPAI and African swine fever, in order to duly recognize and implement zoning and compartmentalization principles as defined by the OIE Terrestrial Animal Health Code. Both sides also agree to strengthen cooperation and experience sharing in monitoring and combating ASF through technical exchanges between policy makers, epidemiologists, as well as laboratory and vaccine experts.

51. Both sides will take part in the working group between EU and China set up to assess the necessity of making compulsory the certification of low risk food products, by referring to Codex alimentarius standards and in the framework of studies that the Codex alimentarius Commission could undertake.



VII. Financial cooperation

52. China has implemented policies and regulations that substantially relax market access of securities and futures industry and allow foreign capital to take control of joint venture securities company, fund management company and futures company. France welcomes this announcement and looks forward to further easing and to the removal of ceiling on foreign shareholder in securities companies in the future so that French financial institutions may take advantage of this opening up and may expand their operations in China. China welcomes qualified French financial institutions to develop business in China. France welcomes qualified Chinese financial institutions to develop business in France.

53. In order to facilitate the credit risk management, to ensure a secure development of financial derivatives, China is willing to draw on effective international regulatory experience and practices when it comes to the netting out of position and the management of collateral. France welcomes the efforts made by China and looks forward to further progress in this regard.

54. Both sides encourage various issuers from both countries to issue RMB-denominated bonds in onshore market in China and offshore market in France. Both sides encourage Chinese financial institutions and corporates to take advantage of the leading role played by the Paris Financial Center in the Eurozone, and to issue a full-range of financing instruments including Euro-denominated bonds. Both sides recognize the importance of securing a more diverse investor base in China's bonds markets. In this respect, France welcomes China's decision to grant a qualified French bank the lead underwriting license. NAFMII will launch a new round of market-based evaluation of underwriting qualifications. As far as junior underwriting licenses are concerned, China will positively consider French banks' application in this process, in accordance with the Chinese procedure and criteria. Both parties will stay in touch on this issue.

55. Both sides recognize that French institutional investors are among the biggest QFII and RQFII players and agree to continue to cooperate to help French investors take full advantage of the QFII and RQFII scheme. China welcomes French investors to invest in onshore capital market in China via QFII, RQFII, stock connect and other channels. France welcomes China's reform to improve the management of the QDII quota/RQDII system and expects qualified Chinese institutions to take advantage of these schemes to invest in regulated financial instruments in France.

56. France welcomes CBIRC's consideration on the set-up of Consumer Finance Company between BNP Paribas and BoN in line with supervisory rules and regulations.

57. Both sides agree to strengthen cooperation and explore increased participation of qualified and premium foreign institutions in domestic and cross-border custodian business. China welcomes qualified France-invested banks in China to apply for custodian license. China will review related regulations, including giving appropriate consideration to the parent company's overseas assets. France also welcomes China's efforts to allow large Insurance companies operating in China to appoint more than one custodian to safekeep their overseas investments.

58. China welcomes banks and financial market infrastructures in French territory to apply to become participants of CIPS.



59. The CBIRC welcomes the upcoming signing of the MOU with the Autorité de contrôle prudentiel et de résolution (ACPR) to carry out supervisory cooperation in both banking and insurance sectors.

60. The French regulator will positively consider the exemption of capital adequacy ratio requirement for euro business that the Chinese banks' branches in France are subjected to, provided that the Chinese regulator exempts French banks' branches in China from working capital requirement as stated in the Chinese regulation.

61. Both sides agree to strengthen audit oversight cooperation based on mutual respect for the national sovereignty of each country and each other's domestic laws and regulations, and to enhance communication and consultations on the memorandum of understanding, with the aim of signing it after the adoption of a decision recognizing the adequacy of the Chinese audit regulatory authority by the European Commission. Chinese and French regulatory authorities agree to reach consensus on bilateral audit regulatory arrangements, with the aim to promote bond markets connectivity and facilitate cross-border bond issuance.

Sustainable finance

62. (1) Both sides welcome the major step that has been achieved regarding the cooperation on green and sustainable finance. China and France are founding members of and actively committed to the Central Banks and Supervisors Network for Greening the Financial System (NGFS). The parties agree to foster their cooperation regarding the definition and standards of green and sustainable finance, environmental risk analysis, environmental and climate information disclosure by financial institutions in line with the work of the G20, notably the Taskforce on Climate Related Financial Disclosures, as well as the role of central banks and supervisors in promoting green and sustainable finance.

(2) Both sides are firmly committed to fostering the development of the Chinese and French green bond markets, and agree to closely collaborate to facilitate the growth and internationalization of robust green bond markets involving Chinese and French market participants. Chinese and French financial institutions are also committed to supporting the underwriting of green bonds both in China and in France. Besides, the two parties agree to co-operate to the development of green asset securitization, in particular with the launch of a dedicated Working Group bringing together market participants and regulators.

Asset Management

63. China welcomes French Asset Management companies to enter and support the development of China's domestic market. In particular, China welcomes French Asset Management companies established in China as wholly foreign owned enterprises (WFOE) to apply for private fund management (PFM) business. Both sides also support the participation of a qualified French financial institution in the equity of Chinese banks' wealth management subsidiaries if opportunities arise. Both sides agree to deepen regulatory and business engagement to explore further opportunities for French private fund management business in China. France welcomes the measures easing restrictions on foreign asset management companies and expects French Asset Management companies to benefit from these measures and, in particular, participate in the Qualified Domestic Limited Partnership (QDLP) and Qualified Domestic Investment Enterprise (QDIE) schemes. Both sides welcome the joint letter by the AMF and the CSRC to continue enhancing mutual understanding of their asset management industries and regulatory regimes with a view to foster cooperation and cross-border business.



Insurance

64. France welcomes China's decision to recognize French actuary qualifications enabling French actuaries to apply for Chief Actuary positions

Cooperation between financial markets regulators

65. Both sides welcome the signing by the AMF and the CSRC of a joint letter of enhanced cooperation by which both market regulators reaffirm their commitment to deepening and expanding their longstanding relationship. In this letter, the AMF and the CSRC recognize the importance of cooperating on assessing and monitoring risks and vulnerabilities on a bilateral basis as well as in international fora. They also recognize the need to find new investment solutions for financing the real economy and, with this in mind, they have agreed to reinforce their dialogue in several areas where they can mutually benefit from their respective expertise. In particular, the AMF and the CSRC have agreed to take forward their work on facilitating the establishment of their asset management industry participants in France and in China as well as on facilitating the delegation of asset management activities. They have also committed to continue furthering mutual understanding of their asset management industries and regulations systems so as to promote and create favorable conditions for the envisaged mutual recognition of funds between China and France. Furthermore, considering the leading role played by China and France in promoting sustainable finance, the CSRC and the AMF further agree to share experience in this field and discuss their respective approaches on matters such as disclosure of non-financial information. Both authorities will work closely towards the signing of an MoU on Fintechs. With this MoU, the AMF and the CSRC will share their experience and approach to the regulation of Fintech.

Cooperation between Stock exchanges

66. Both sides welcome the exchanges in the two countries to enhance communication in business and personnel training, and carry out practical cooperation on cross-border ETF development and promotion as well as overseas indices joint development. Both sides support collaboration between Chinese stock and futures Exchanges, Chinese asset managers and Euronext to jointly study the feasibility of developing the listing and trading of equities, bonds and other cross-border products as well as the cross-border commercialization of market data analytics. The AMF and the CSRC support the enhanced cooperation between Euronext and Shanghai Stock Exchange as well as between Euronext and Shenzhen Stock Exchange and stand ready to facilitate joint initiatives, as appropriate. Euronext and Paris Europlace express both their strong interest to participate to the international opening of the Chinese bond market, including the development of the BondConnect initiative.

67. Central banks and related regulators from both countries will enhance cross-border regulatory cooperation on payment and financial technology, as well as the information sharing on payment serving market and finance serving innovative regulation to improve regulation efficiency and prevent regulatory arbitrage.



68. Both sides welcome China Development Bank Capital Co., Ltd. a wholly owned subsidiary of China development Bank, and BPI France to initiate and set up Sino-French Midcap Fund II, which has a total size of 1.2 billion Euros. Following the strategy of its predecessor fund, Sino-French Midcap Fund II will support mid-cap companies in China, Europe (especially France) and North America with a high potential for growth and value creation as well as a capability to expand internationally. Both sides also welcome other international institutional investors to take part in the investment of the fund.

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