

## China Regulators Remove Restrictions on Insurance Fund Investment

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**PRACTICES** International, Asia, Export Controls and Trade Compliance

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On November 12, 2020, the China Banking and Insurance Regulatory Commission (“**CBIRC**”) issued a new rule with regard to removing industry restrictions on financial equity investment by insurance companies. The newly released *Notice on Matters Related to Insurance Fund Financial Equity Investment* (the “**Notice**”) took effect on November 12, 2020 and is consistent with the speech made by China Premier Li Keqiang on July 15, 2020, calling for the “cancellation of industry restrictions for insurance funds undertaking financial equity investment.” Chinese insurance companies are some of the biggest in the world by market capitalization. This new Notice is undoubtedly good news to relevant industries and companies.

The Notice includes 10 articles and mainly revises the scope of industries in which the insurance companies can invest. Previously, such scope was stipulated in the *Notice of China Insurance Regulatory Commission on Promulgation of the Provisional Measures on Equity Investments Using Insurance Funds*, China Insurance Regulatory Commission, September 5, 2010 (“**Circular 79**”); the *Notice on Issues Relating to the Investment in Equity and Real Property with Insurance Funds*, China Insurance Regulatory Commission, July 16, 2012 (“**Circular 59**”); and the *Notice on Promulgation of the Rules for Implementing the Interim Measures for the Administration of Overseas Investment with Insurance Funds*, China Insurance Regulatory Commission, October 10, 2012 (“**Circular 93**,” and together with Circular 79 and Circular 59, collectively, the “**Current Laws**”). After the Notice became effective, the Current Laws’ limitation on the scope of industries in which insurance companies can invest will be abolished. However, the process for equity investments and other limitations under the Current Laws will be maintained. In other words, the Notice only expands the scope of industries in which insurance companies can invest.

Read the full article [here](#).