

Top Economic Planner Tightens Rules on Issuing Enterprise Bonds—By staff reporter Huo Kan
—(16.10.2014)

Requirements for Enterprise Bond Issuance Rose

- A notice raising requirements for enterprise bond issuance was issued on October 15.
 - The issuing authority of the notice: National Development and Reform Commission (NDRC).
 - The purpose: to better control risks facing local governments.
 - The contents of the notice: requirements regarding the materials and data that the issuers should provide in order to applying for an issuance.
- Enterprise bonds are debts issued by government agencies or state-owned companies.
- The issuances have required the approval of the NDRC since 1987.

New Requirements

- 23 major areas where it wanted more data to be provided.
- The new requirements include:
 - information on the debt ratio of the local government involved;
 - the issuer's liability situation;
 - the GDP of the area and the local government's debt-to-GDP ratio;
 - no new bond issuance for urban construction will be approved;
 - If the overall value of accounts receivable exceeds 60% of the issuer's net assets, it will not be approved for new bond issuance;
 - stricter requirements on land asset valuation for bond issuers, and more closely scrutinized the issuer's previous bond issuance, credit history and the interest rate they applied for the issuance.

Current Situation of Enterprise Bond Issuance and Predictions

- As for urban construction, overall debt ratio exceeds 100%.
- Little official data on local government debt ratios have been released.
- At the end of 2012, 3 provinces, 99 cities, 195 counties and 3,465 townships had a debt ratio above 100%.
- As of September 30 the outstanding value of enterprise bond totaled 2.87 trillion yuan, up 532 billion yuan from the end of last year.
- Predictions on enterprise bond issuance:
 - enterprise bond issuance would slow in the short term as some of the new requirements are difficult to meet and it would take time for issuers to provide the extra materials.
 - requirements would prevent many government-backed urban construction companies from issuing bonds.

¹ Source: <http://english.caixin.com/2014-10-16/100739354.html>

高层经济规划者提高企业债发行的门槛—Huo Kan—(2014-10-16)

发行企业债的要求提高

- 10月15日发布的通知提高了企业债发行的要求。
 - 通知发布机构：国家发展和改革委员会（发改委）。
 - 通知目的：更好的控制地方政府的风险。
 - 通知内容：列出发行者申请发企业债需要补充的资料和数据。
- 企业债是政府机构或国有公司发行的债。
- 企业债的发行自1987年开始需得到国家发改委的批准。

企业债发行新要求

- 发行企业债有23项重点审核事项。
- 新的要求包括：
 - 当地政府负债比率的信息；
 - 发行人的责任状况；
 - 地方政府当年GDP，以及已发行未偿付的企业债券占地方政府当年GDP的比例；
 - 暂不受理区域内城投企业有可能新增政府性债务负担的发债申请；
 - 如果应收账款金额合计超过净资产60%、不予受理发债申请；
 - 对土地资产评估的债券发行人要求更为严格，严格审查发行人之前的债券发行情况，信用记录，申请发行的利率。

企业债券发行现状及预测

- 对于区域性城投，区域全口径债务率超过100%。
- 地方政府的债务率的官方数据尚未公布。
- 截至2012年底，有3个省级、99个市级、195个县级、3465个乡镇政府负有偿还责任债务的债务率高于100%。
- 截至2014年9月末，企业债券托管量2.87万亿元。今年前九个月，新增企业债券5320.42亿元
- 企业债券发行预测：
 - 企业债券发行将在短期内减缓，因为一些新的要求难以满足，而且提供额外材料需要一定时间。
 - 新要求可能会是许多国有背景的区域城投企业无法发行债券。