China-France Joint Fact Sheet on 3rd High Level Economic and Financial Dialogue

(September 18th, 2015, Beijing)

Deepening a close and durable Sino-French economic and financial strategic partnership

The China-France High Level Economic and Financial Dialogue (HED) is an important platform for bilateral communication and policy coordination on strategic, overarching and long-term issues in the economic and financial fields. The first and second Dialogue, which was held in November 2013 and September 2014, made an active contribution to expanding and deepening the Sino-French comprehensive strategic partnership.

Chinese Vice-Premier Ma Kai and French Finance and Public Accounts Minister Michel Sapin co-chaired the 3rd HED on September 18, 2015 in Beijing. They were joined by a high-level delegation of senior officials from both countries. China and France stress that the purposes of this dialogue are to thoroughly implement the important achievement of Chinese Premier Li Keqiang’s visit to France, and make the due policy preparation for visits by the heads of state of the two countries in the economic and financial fields.

During this Dialogue, the two sides reached consensus on the following:

I. Macro-economic situations, policies and global economic governance

1. Both sides will take appropriate policy measures in line with economic and financial developments at home and abroad, in order to promote strong, sustainable and balanced economic growth. The Chinese authorities adhere to the general tone of maintaining stability while making progress, and initiatives lead to the new normal economic development. Chinese government adheres to the proactive fiscal policy and keeps public spending to play the better role of automatic fiscal stabilizers and counter-cyclical instruments. PBOC continues to implement a sound monetary policy that is neither too tight nor too loose, conducts timely and appropriate fine-tuning and preemptive adjustments. China will accelerate the growth mode transformation and structure adjustment, strengthen risk prevention and promote sustained and healthy economic development. France welcomes China’s commitment in the release of economic data following the SDDS by the end of the year as well as the authorities’ commitment to move toward more market-oriented exchange rate systems and exchange rate flexibility. France is also promoting strong, sustainable and balanced economic growth. The government is fully committed to further consolidating public finances and reforming its economy in order to reduce unemployment, continue the reduction of macroeconomic imbalances and enhance its potential growth. Therefore a long-term reform strategy is underway introducing a series of strong reforms that aim at modernizing, simplifying and freeing up economic activity. In addition to that, the government's reform agenda
also aims at making career paths more secure for workers while combating inequality by supporting people in fragile situation and improving education performance.

2. Both sides reaffirm strengthening 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 support Turkey to take “Inclusive and Robust Growth through Collective Action” as the theme of the Antalya G20 Summit. Both sides are committed to promoting a strong, sustainable and balanced growth. To achieve this goal, both sides are willing to work together with other G20 members to strengthen macroeconomic policy coordination, support job creation, advance structural reforms, promote investment and infrastructure, support and strengthen the multilateral trading system. Both sides reaffirm the importance of maintaining international financial stability, improving global economic governance, and developing an open world economy. Both sides will work to advance international financial regulation, so that all financial markets, products and participants are regulated or subject to oversight, as appropriate. France is looking forward China to hosting the G20 Summit in 2016, and will actively support its preparation.

3. China and France support the adoption of an ambitious and legally binding agreement at the Paris Climate Conference that enhances the implementation of the Convention, on the basis of equity and reflecting the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. The Paris agreement shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, capacity building and transparency of action and support. China and France recall the objective of the Convention as set out in its Article 2, and the need to urgently enhance global climate action to ensure the full, effective and sustained implementation of the Convention now, up to and beyond 2020, in light of the latest and best available scientific information, bearing in mind holding the increase in global average temperature below 2°C above pre-industrial levels. China and France call on developed countries to fulfill their commitment to mobilize $100 billion per year by 2020 for climate change adaptation and mitigation in developing countries. They urge developed countries to provide and mobilize enhanced financial support to developing countries for ambitious mitigation and adaptation actions, especially to countries that are particularly vulnerable to the adverse effects of climate change and recognize complementary support by other countries. They invite relevant international institutions, within their mandates, to develop plans in support of a good outcome for the COP21. China and France welcome and support the task given by the G20 to the FSB to convene public- and private-sector participants to review how the financial sector can take account of climate-related issues. In line with the joint statement on cooperation with third parties, China and France will cooperate to support mitigation and adaptation in the least developed countries, in particular for clean energy access in Africa and implementation of early disaster warning systems.
4. France strongly stresses the importance of a multipolar international monetary system, including through a greater role of the euro and the renminbi. In this regard, provided that the RMB fulfills the existing eligibility criteria, the French side supports the inclusion of the RMB into the SDR currency basket in the IMF’s upcoming SDR review. Both countries commit to respecting the IMF’s procedures and process in the SDR review, and to enhancing their communication on this issue. China recognizes the importance of meeting the transparency standards of other major reserve currencies to successful RMB internationalization. France supports China’s efforts to implement further financial and capital market reforms.

5. Both sides commit to strengthening their cooperation in the International Monetary Fund (IMF), and continue to improve the IMF’s quota and governance structure. Both sides urge members who have yet to ratify the 2010 quota and governance reforms to do so without delay to further enhance the voice of dynamic emerging markets and developing countries. Both sides affirm the efforts of IMF Executive Board to pursue an interim solution, which aims to converge quota shares to the extent possible to the levels decided under the 14th review. However, the interim solution should not constitute or be seen in any way as a substitute for the 2010 IMF reforms. Both sides committed all efforts to ensure the completion of the 15th general quota review. The two sides reaffirm the importance of maintaining a strong and adequate resourced IMF, as a quota-based institution.

6. Both sides will continue to strengthen their exchange of views on international financial sector reforms and financial stability issues on bilateral and multilateral platforms, including the topic of “implication of climate change on financial stability” recently raised by the Financial Stability Board.

7. Both sides agree to build upon the recent success in establishing the Asian Infrastructure Investment Bank (AIIB) in order to strengthen collaboration within the multilateral financial architecture. France welcomes participation of China in relevant meetings and activities of the Paris Club.

8. Both sides welcome the adoption of the 2030 Agenda for Sustainable Development and agree to maintain close communication and cooperation in implementing this Agenda and the Addis Ababa action Agenda. While implementing the Agenda within their own country, both sides will help developing countries achieve a common and sustainable development.

9. Both sides stress the importance of an open and fair trade and investment relation, based on reciprocal and mutual benefits, recognizing its importance for growth and job creation. They are committed to maintaining, strengthening and developing a rules-based, transparent, non-discriminatory, open and inclusive Multilateral Trading System and favor the effective enforcement of its rules. France and China are committed to pushing forward the DDA to achieve a substantial outcome by the 10th Ministerial Conference (MC10) with a view to its early conclusion, on a realistic and balanced basis, while respecting the Doha
mandate, especially its development dimension, and taking note of the progress that has been made.

10. France and China welcome the progress that has been made by the IWG in negotiating a new set of international guidelines on officially supported export-credit, that are taking into account varying national interests and situations while consistent with international best practice.

11. Both sides agree to continuously maintain close cooperation and take measures in coping with Cross-border tax evasion and avoidance. Both sides will continue to support G20 commitment on promoting tax transparency and 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’ve committed. Both sides agree to continuously strengthen communication and cooperation on the implementation of G20/OECD Base Erosion Profit Shifting Action Plans. The effectiveness of the project will be determined by its widespread and consistent implementation. We call on the OECD to prepare a framework by early 2016 with the involvement of interested non-G20 countries, particularly developing countries, on an equal footing. Both sides are committed to help developing countries, especially low income countries strengthen their capacity building in tax policy and administration through various forms.

12. France and China commit to actively participate in the G20 Anti-Corruption Working Group, especially regarding the combating of bribery, including by active participation with the OECD Working Group on Bribery. Both sides also agree to improve their compliance with the anti-money laundering and counter terrorist financing standards defined by the FATF (Financial Action Task Force). In particular, both sides support the FATF ongoing work to clearly identify and address the remaining weaknesses regarding the adoption and implementation of laws criminalizing terrorist financing and of targeted financial sanctions regimes related to terrorism and terrorist financing. Finally, both sides reiterate their commitment to implement the G20 High-Level Principles on Beneficial Ownership Transparency and look forward to further progress on implementation, in order to ensure that the relevant authorities, including anti-corruption, financial and tax authorities, know who owns and controls companies and other legal arrangements, such as trusts.

13. Both parties support the dialogue held at international level with regard to corporate social responsibility and call for guidelines for a responsible behavior of worldwide companies. France and China will continue to exchange on their experience on corporate social responsibility issues.

II. Cooperation on Financial market and Regulation
14. Both sides welcome the ongoing development of an off-shore RMB market in Paris, as a major hub for RMB-denominated activity in the euro area, and agree to continue to support further initiatives in that regard, including in the area of payment and clearing arrangements. French institutional investors and corporates are encouraged to take advantage of RMB-denominated banking and financial services developed in Paris by French and Chinese financial institutions. Both parties encourage Paris EUROPLACE’s action to promote, among French financial institutions and corporates including SMEs, the use of RMB in trade finance, but also in market transactions, Forex and trade, including between China and Africa in order to strengthen the position of Paris as one of the leading European offshore RMB centers. Chinese interbank market intermediaries, such as China Foreign Exchange Trade System (CFETS), Shanghai Clearing House, China Central Depository Clearing Co. Ltd. (CCDC), are encouraged to take part in the development of the off-shore RMB market in Europe. French and Chinese market participants issuing off-shore securities in RMB are encouraged to have recourse to the services provided through the collaboration between Chinese market infrastructures and French infrastructures, such as Euronext and Euroclear France.

15. China and France welcome the launch of products using the French RQFII quota by Qualified French Institutional Investors. The French RQFII quota will be increased by China when appropriate. Both sides will further support Chinese securities and futures institutions in cooperating with French institutions to establish and conduct business in France, including the development, distribution and portfolio management of RQFII products. Following previous RQFII quota allocations, France welcomes the recent completion of a new French RQFII quota process and looks forward to the prompt finalization of the pending processes. China has agreed to allow Qualified French Institutional Investors to apply RQFII quota for their existing collective investment funds. France welcomes the scheme launched by the People's Bank of China allowing the RMB Qualified Domestic Institutional Investors in China to invest overseas, including into the French financial markets, in RMB. The AMF and the CSRC acknowledged their strengthened cooperation in various areas since the previous High Level Dialogue and welcomed the Sino-French Forum on asset management held in Beijing on 17 September 2015 as well as the fruitful relationship developed between the Chinese and the French asset management industries on that occasion. Both sides are committed to enhancing exchanges and sharing experience in asset management, including in areas where each country shows specific expertise such as Socially Responsible Investment in France. They agree to explore opportunities to facilitate the growth of cross border fund management activities and to work on possible approaches to foster such activities.

16. Both sides agree to enhance joint researches and information exchange between the two central banks in the area of payment and market infrastructures. Both sides agree to establish a regular cooperation mechanism on anti-counterfeiting with designated contacts, focusing on exchange and cooperation as well as fighting counterfeiting crimes. Both sides agree to establish a regular exchange
mechanism on currency security technology and to create an exchange mechanism of banknote counterfeiting features and realization technique.

17. Both sides agree to explore cooperation by institutions on both sides to provide convenient and secure environment for electronic means of payment developed and used in France and in China, including increasing acceptance of credit/debit card payments, in order to support economic and trade ties.

18. Both sides encourage the banking institutions to innovate cooperation forms and enhance the communication and collaboration at multiple levels and in various areas. Both the Chinese and the French banking supervisory authorities agree to establish relevant cooperative mechanism to enhance cooperation in many fields such as on-site examination, supervision on P2P lending, banking consumer protection and alternative dispute resolution. In a spirit of supporting the business development of banking institutions in both countries, both sides agree to consider the avenue for reciprocal treatment to the bank branches in each other’s market, and to lay the ground for the removal of capital adequacy requirements on the non-local-currency businesses, in accordance with local decisional procedures.

19. Both sides encourage the CAMLMAC of PBOC and the Traitement du Renseignement et Action (Tracfin) of the French Ministry of Finance to strengthen their exchange of financial intelligence on anti-money laundering and counter terrorist financing. Both sides agree to especially increase the number and the quality of the information sent and requested as well as their respective spontaneous transmissions. Both sides agree to set up a monitoring committee in order to assess the progress achieved. Moreover, CAMLMAC and TRACFIN plan, on the basis of this future enhancement of their operational cooperation, to update in the upcoming year the previous Memorandum of Understanding signed in 2009 in Beijing.

20. Both sides encourage the cooperation between NAFMII and Paris EUROPLACE, to conduct joint researches on bond market development to support the real economy, to strengthen cooperative relationships in areas such as information sharing, training and market players’ interaction. On the other hand, both sides welcome the cooperation between the Shanghai Financial Services Office and Paris EUROPLACE to accelerate partnerships between both financial centers, on equities markets as well as asset management, banking and insurance sectors. Moreover Euronext aims at further developing cross-border activities between China and Europe through a vast array of partnerships with the largest Chinese institutions, banks and exchanges (ICBC, China Construction Bank, Bank of China, Dalian Commodity Exchange) to provide access to an unmatched pool of liquidity for European issuers and benefit of the current RMB internationalization.

21. Both sides are committed to strengthening cooperation on futures and OTC derivatives markets, including facilitating the realization of mutual recognition of Qualified Central Counterparties (QCCPs) between China and the EU, enhancing information sharing and regulatory cooperation in cross-border trade and business
in the futures markets, and sharing experience in regulation of the OTC derivatives market.

22. In addition to the regulation of asset management as well as OTC derivatives, the CSRC and the AMF welcome sharing experience in the field of preventing and fighting market abuses as well as in the field of cross border cooperation. They agree to pursue their dialogue on these issues and to facilitate greater mutual understanding on various other areas of securities regulation including securities law as well as listed companies and their financing on markets and Internet-based financing.

23. The CIRC will further strengthen information exchange and promote technical cooperation in all areas including solvency with ACPR and other related regulatory authorities.

24. Both sides agree to promote the cooperation on audit oversight based on mutual respect for the national sovereignty of each country and each other’s domestic laws and regulation. As the first step, they will identify the agencies and set a timetable and operational targets for bilateral talks. This cooperation should aim at promoting high quality auditing standards and practices, ensuring accuracy, transparency and accountability of corporate management and accounting.

25. Both sides are dedicated to continuously deepening the existing cooperation between CNAO and the Cour des Comptes, intensifying exchanges and cooperation among audit professionals at different levels, actively carrying out discussions on a variety of topics, and promoting the important role of external audit in safeguarding accountability and responsibility in the public administration.

III. Promoting substantial bilateral economic cooperation

26. Both sides agree to strengthen the exchanges and collaboration between policy strategy bodies of both countries. To this end, one policy strategy body from the Ministry of Finance of China and one from the Ministry of Finance of France will be designated as focal points. Both sides also support official/academic dialogues and exchanges on such issues as finance and economy of the two countries, bilateral relationship, regional and global economic studies. Policy strategy bodies of both sides will explore ways to conduct joint research on issues of mutual interest. Development Research Center of the State Council of P. R. China (DRC) and France Stratégie (Commissariat Général à la Stratégie et à la Prospective - CGSP) are committed to continuously hosting the joint workshop in China and France in rotation to conduct in-depth exchanges and discussion in important economic and social issues of common interest.

27. Both sides will respectively go through internal approval procedures and sign the China-France Social Security Agreement at an appropriate time in order to ease cross-investments and circulation of workers.
28. Both sides welcome the Sino French Innovation fund launched by China Development Bank Capital (CDBC) and Bpifrance dedicated to innovation financing in small innovative companies with growth potential in China, France, Europe and North America. With target fund size of EUR 250m, this fund aims to enable innovative companies to connect themselves as from the beginning to a global ecosystem (France/China/US) in order to accelerate their vision and their international expansion.

29. Both sides agree to foster the implementation of an investment partnership between CIC Capital (China Investment Corporation group) and CDC International Capital (Caisse des Dépôts group) to actively explore investment opportunities in the Grand Paris area in order to facilitate Chinese investments in related assets and projects, notably in real estate and infrastructure.

30. Both sides agree to implement the Joint Statement on partnerships in third markets which was issued by the two governments during Premier Li Keqiang’s visit to France. Both sides are dedicated to consensus on the main issues of setting up a mutual investment fund by November 2015, identifying and implementing new projects globally across different sectors, with a special emphasis on infrastructure, renewable energies, healthcare, clean transport and environment. Both sides agree to organize a France/China/Africa meeting to be held in Africa in 2016. Both sides are willing to promote the involvement of multilateral development banks in cooperation projects in third country markets, respecting the ownership of the recipient parties.

31. Both sides adhere to the EU-China 2020 Agenda and welcome the progress already made by the EU and China in the ongoing investment agreement negotiations towards the swift conclusion of an ambitious and comprehensive agreement covering investment protection and market access. Both sides encourage the trade promotion agencies of the two countries to strengthen cooperation and carry out various forms of trade promotion activities to promote the development of the bilateral economic and trade relations. France and China will actively cooperate to solve market access issues. They underline the need to address the issue of further improve the business climate in order to create a level playing field.

32. The French side welcomes China’s willingness to step up investment in Europe and expresses appreciation for China’s initiative to build Silk Road Economic Belt and 21st-Century Maritime Silk Road, in a mutually beneficial way.

33. Both sides agree to further strengthen bilateral cooperation in the field of intellectual property under the framework of Cooperation Agreement on Intellectual Property between the Government of the People’s Republic of China and the Government of the Republic of France, and to organize the Sino-French Joint Committee Meeting on Patents and the Sino-French Joint Committee Meeting on Trademarks in China in the year of 2016. The French authorities will continue providing assistance on preventive measures to detect counterfeiting on
e-commerce platforms and on the supervision of a concrete result oriented dialogue between IPR owners and internet companies.

34. China Customs and French Customs have made notable progress in law enforcement cooperation including information exchange, mutual administrative assistance and combating commercial fraud. Both sides will enhance the communication between heads of customs administrations, implement the technical cooperation agreement between China and French Customs for the years of 2015 and 2016, and strengthen cooperation in fighting against commercial fraud, counterfeits and hazardous wastes, in order to foster a sound and orderly trade environment. Besides, both sides will continue the active participation in the 3rd Phase of the Smart and Secure Trade Lane Pilot Project, intellectual property rights protection and the mutual recognition of Authorized Economic Operators between China and the EU Customs, and explore possible twinning cooperation among Chinese and French air and sea ports customs, so as to enhance trade security and facilitation between China and France as well as China and the EU.

35. Both sides will pursue cooperation in the field of standardization as initiated in 2013 in their common commitment towards the establishment of Sino-France Standardization Cooperation Commission in the framework of Sino-French Economic and Trade Committee. SAC and AFNOR will hold a Sino-French standardization Seminar with a special focus on the sectors of E-health / Silver economy, agro food, smart and sustainable cities and railway in November, 2015. On the Seminar, AFNOR will read out <Silver Economy White Paper>. Both sides decide to give priority to cooperation in Silver Economy.

36. Both sides agree to achieve the development of CFOSAT and SVOM satellites and ensure the satellites will be launched right on time following the last bilateral MOU’s signed in August 2014 for SVOM and January 2015 for CFOSAT. Both sides are dedicated to further focusing on deep space exploration, actively seeking for possible cooperation pattern. Both sides will further promote the follow-up collaboration on space fields to improve the sustainable development of Sino-French space cooperation.

37. Both sides underline the mutual benefits of bilateral cooperation in the aeronautic industry, which can be pictured by the presence of Airbus in Tianjin (A320 Final Assembly Line and future A330 wide body completion and delivery center), the increasing participation of Chinese industry in Airbus supply chain and the collaboration of Avic and Airbus Helicopters for the development and the production of the Z15/AH175. Both sides encourage industrials to deepen their ties according to their mutual interest. Besides, European export credit agencies and China Exim Bank are in discussion in order to find a common mechanism to support Tianjin-Assembled Airbus A320 aircrafts sales in China and export to the third markets.

38. Both sides reiterate their commitment to supporting the development of nuclear energy usage for peaceful purpose in a responsible manner and to implementing in a timely manner the Joint Statement on Deepening Civil Nuclear Energy
Cooperation which was issued by the two governments during Premier Li Keqiang’s visit to France on June 30, 2015 in Paris. Both parties expect significant progress under this cooperation, including on the area of uranium resources development, conversion, fuel production and related components, on high and medium power reactors, especially the development of UK new-built nuclear power projects, and back-end of nuclear fuel cycle, especially on the ongoing discussions related to the project of reprocessing-recycling plant.

39. Both sides will strengthen the government sectors and industry cooperation to jointly explore the roadmap targeting vehicle energy efficiency for 2025, focus on standard regulations of fuel consumption for passenger vehicles (CO2 emissions) in 2020 and 2025, and technical route and policy measures meeting the objective of the regulations. Both sides agree to strengthen the government sectors and industry cooperation to jointly advance the exchange and cooperation on standard and regulations of new energy automobile, smart and connected vehicles including coordination in advance during the establishing of ISO, IEC, GTR and other global standards and regulations.

40. Both sides stress the importance of reviewing their traditional models of industrial production. Both sides are willing to build an industry that is inclusive and sustainable, digitized, highly connected, automated, extremely flexible and efficient. It must rely on a complementarity between the human being, placed at the very heart of the system, and the machine. The French plan “Industry of Future” aims at supporting all industrial companies involved in the modernization of their production process. The Chinese plan “Made in China 2025” aims to promote the transformation and upgrading of industry, and realize the shift of China from a big manufacturing power to a strong manufacturing power. Both sides encourage industrials from the two countries to cooperate on that basis and to develop pilot projects together by 2016.

41. The two sides reiterate the importance of the China-France High Level Economic and Financial Dialogue, and agree to hold the forth China-France High Level Economic and Financial Dialogue in France in 2016.