Announcement No. 8 [2025] of the People's Bank of China and China Securities Regulatory Commission

To implement the guiding principles of the Third Plenary Session of the 20th CPC Central Committee, accelerate the development of a multi-tiered bond market, establish a technology finance system aligned with sci-tech innovations, strengthen financial support for national major sci-tech tasks and technology-based small and medium-sized enterprises (SMEs), and improve the policies that support long-term investment in early-stage startups, small businesses, long-term projects, and cutting-edge technologies, this announcement is hereby given regarding the measures for supporting the issuance of sci-tech innovation bonds.

I. Broadening the Product System of Sci-Tech Innovation Bonds to Accelerate the Formation of a Multi-Tiered Bond Market

1. Financial institutions, technology-based enterprises, and private equity investment firms and venture capital firms (collectively, "equity investment firms") may issue sci-tech innovation bonds, with proceeds earmarked for investment in and financing of sci-tech innovations.

2. Financial institutions including commercial banks, securities companies, and financial asset investment companies may issue sci-tech innovation bonds. They are to focus on their core mandates and businesses and leverage their professional expertise in investment and financing services to support sci-tech innovations through the lawful and exclusive use of the proceeds, such as through loans, equity, debt, and fund investment, and capital intermediary services.

3. Technology-based enterprises may issue sci-tech innovation bonds to raise capital for product design, R&D expenditures, project development, operations, and mergers and acquisitions in the field of sci-tech innovation.

4. Equity investment firms with extensive investment experience, outstanding management performance, and a strong management team may issue sci-tech innovation bonds to raise capital for establishing or expanding private equity funds.

5. Issuers may flexibly choose issuance methods, maturities and develop innovative terms, and conditions, including embedded options, payment of issue price, and repayment to better align with the characteristics of fund utilization and financing needs.

II. Improving Supporting Mechanisms for Sci-Tech Innovation Bonds to Facilitate Financing

6. We will optimize the issuance management process for sci-tech innovation bonds to improve financing efficiency, and permit issuers to conduct shelf offering based

on the characteristics of fund utilization. Information disclosure rules will be simplified for sci-tech innovation bonds, such that issuers and investors may agree on exempted information. The balance-based regime may apply to issuance of sci-tech innovation bonds by financial institutions.

7. We will innovate the credit rating system for sci-tech innovation bonds, where credit rating agencies may break away from the conventional asset- or business scale-focused approaches and design specialized rating methodologies and symbols appropriate for equity investment firms, technology enterprises, and sci-tech innovations, in order to enable more forward-looking and differentiated ratings.

8. We will establish a dedicated underwriting evaluation system and market-making mechanism for sci-tech innovation bonds, organizing market makers to provide dedicated quotation services for such bonds, and help underwriting activities integrate with market-making activities. We will also increase the weight of sci-tech innovation bonds in evaluating the performance of underwriters and market makers.

9. Various financial institutions and asset management institutions as well as social security funds, corporate annuities, insurance funds, and pension funds may invest in sci-tech innovation bonds. We encourage the creation of sci-tech innovation bond indices and index-linked financial products.

10. We will improve the risk diversification and sharing mechanisms for sci-tech innovation bonds. In particular, financial institutions including commercial banks, insurance companies, and securities companies, as well as specialized credit enhancement agencies and guarantee institutions, may support the issuance, investment, and trading of sci-tech innovation bonds based on their risk pricing and management capabilities through credit protection instruments, credit risk mitigation warrants, credit default swaps, and guarantee arrangements.

11. Local governments with the necessary fiscal capacities may establish risk compensation funds or introduce other preferential policies to support sci-tech innovation bonds through interest subsidies, government-backed financing guarantees, and more.

12. We will strengthen the mid- and post-issuance oversight of sci-tech innovation bonds to ensure proceeds are directed toward sci-tech innovations. We will incorporate sci-tech innovation bonds into the evaluation of financial institutions' sci-tech finance services.

13. The self-regulatory organizations of the interbank and exchange bond markets should expedite rulemaking for sci-tech innovation bonds. The relevant market infrastructures may offer dedicated issuance, trading, registration and custody, and clearing and settlement services and reasonable discount on fees.

People’s Bank of China

China Securities Regulatory Commission

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