

China Broadens Capital Market Access

Xin Wu, CIO | June 10, 2025

At Banyan, we closely track the evolving landscape of China's capital markets, as the country opens further to global participation. Recent signals from Chinese regulators and policymakers are sending a clear message: Despite geopolitical uncertainty, China remains steadfastly committed to global market integration and standards alignment.

Firstly, Chinese companies and regulators are increasingly looking abroad to meet foreign investors where they're at to secure investments. At the recent Global Investors Conference hosted by the Shenzhen Stock Exchange, CSRC Vice Chairman Li Ming affirmed China's commitment to optimizing the process for Chinese companies seeking overseas public listings, enhancing its transparency and predictability. This pledge aligns with data showing robust growth—150 Chinese companies registered for overseas listings in 2024, a remarkable 90% increase from the previous year. The regulatory approval rate for overseas listings has been on the rise in recent years, and there are currently nearly 100 companies requesting listing in Hong Kong, and more than 50 seeking approval for the NASDAQ. (www.sohu.com/a/899679711_120099153)

This forward-looking stance echoes sentiment by Chairman of the CSRC Wu Qing, who recently emphasized expanding access for foreign capital coming into China through multiple channels. The Chairman emphasized that regulators want to support and “encourage foreign investment institutions to establish yuan-denominated funds for investment in China...” Moreover, the range of mainland investment options available to qualified foreign investors (QFIs) is set to broaden in the future, with regulators planning to expand product offerings in the derivatives markets, such as stock options and futures, as well as real estate investment trusts (REITs). These enhancements mark a significant widening of opportunities for foreign investors looking to participate in China's capital growth. (www.china.org.cn/2025-05/14/content_117874360_9.shtml)

Above all, Chinese regulators and policymakers are positioning China to continue integration with the global capital markets. Chinese leadership is actively strengthening ties with European businesses as it

seeks to counterbalance pressures from U.S. tariffs and bring stability to the economy. In a rare development last month, European business leaders from the Danish Chamber of Commerce in China communicated directly with President Xi regarding China's business and foreign investment landscape, with the President calling China an “ideal, safe, and promising destination for foreign investors.” (www.bloomberg.com/news/articles/2025-05-20/china-gives-eu-business-groups-high-level-meetings-to-boost-ties)

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