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IMI Newsletter

International Monetary Institute
Renmin University of China

Highlight

- International Monetary Forum 2022 Event Series No. 1-3

Research

- Macro-Finance Salon No. 188-192
- Huarui FinTech Salon No. 2

Exchange

- 2022 Wealth Management Summit



Highlight

International Monetary Forum 2022 Event Series No. 1: Press Conference on “RMB Internationalization Report 2022” and Roundtable on Money and Finance • Summer 2022

International Monetary Forum 2022 Event Series No. 1: Press Conference on “RMB Internationalization Report 2022” and Roundtable on Money and Finance was successfully held online on July 23rd in the summer of 2022. The event was co-hosted by School of Finance, Renmin University of China (RUC) and International Monetary Research Institute (IMI), RUC, and sponsored by Chongyang investment Education Fund. Wang Fang, Deputy Director of IMI and Associate Dean of School of Finance, RUC, announced the “RMB Internationalization Report 2022: Opportunities and Challenges in Low-Carbon Development (hereafter the Report)”. Zhuang Yumin, Chairman of IMI and Dean, School of Finance, RUC, gave a welcome speech. Ben Shenglin, Co-director of IMI, Dean, Zhejiang University International Business School and Academy of Internet Finance presided over the session.

Zhuang Yumin made an opening speech for the forum. After welcoming and thanking the guests, she pointed out that the low-carbon (or green) economy was one of the inherent requirements for Chinese economy to achieve high quality growth. In the long run, low-carbon economy will strengthen the hard and soft power of RMB, especially improve RMB’s international currency function. However, Chinese economic transformation and structural optimization still remained arduous. In the short term, China will face aggravated pressure from economic and low-carbon growth.

Wang Fang announced the Report and interpreted it in the following three points. First, there was steady progress in RMB internationalization as more and more recognitions were received from the international market. The RMB’s role as an international currency was strengthened as now it ranked top among the world’s major currencies. Second, from the relationship between low-carbon development and RMB internationalization, it is a prerequisite for China to develop low-carbon economy to cope with climate change, and the only way for China’s economy to achieve

sustainable and high-quality growth. Adopting low-carbon economic growth, which is a great opportunity to stabilize RMB internationalization, will help enhance both the hard and the soft power of RMB. However, China's current resource limits and development phase made carbon emission reduction in China difficult. If costs to reducing emission remained high, China's economy would be exposed to increasing risks in transformation, thus hampering its economic growth. The carbon peak and carbon neutrality targets and the RMB internationalization would be harder to achieve. Thirdly, major difficulties in promoting China's low-carbon transformation should be properly dealt with. A policy system needs to be built to support China's low-carbon development. Besides, a mechanism to promote work, supervise and assess needs to be built under a new cooperation mode: the Chinese government will take the lead to establish platforms while the market plays the major role. Chinese real economy and financial system need to undergo low-carbon transformation to better face future risks and challenges. The carbon market reform is an opportunity for China to open and improve its carbon market and compete for carbon pricing in the future market. Furthermore, developing low-carbon economy requires timely global governance reform. China will play a more active role in promoting low-carbon investment in the Belt and Road Initiative, coordinating green and low-carbon policy and bridging global governance gap. The research group stressed that it is necessary to fully understand the necessity and urgency of low-carbon transformation and the impact of the double reduction policy brought to industrial structure, economic growth and RMB internationalization. Generally speaking, the long-term benefits of low-carbon development outweigh the costs to reducing carbon emissions in the short term and the risks in the transformation in the middle term.

In the roundtable discussion, financial professionals from industry and academia expressed their views on the theme of "Opportunities and Challenges in Low-Carbon Development". Speakers include Cao Tong, Chairman of Shanghai Huarui Bank, Chen Weidong, Dean, Academy of Bank of China, Ding Jianping, Deputy Director, Shanghai Institute of International Finance Center; Director, Research Center for Modern Finance, SHUFE, E Zhihuan, Chief Economist, Bank of China (Hong Kong), Guo Jianwei, Editor-in-Chief, China Financial Publishing House, Qu Fengjie, Member of Academic Committee, Institute of International Economic Research, NDRC, Tan Xiaofen, Professor at the School of Finance, Central University of Finance and Economics, and Zhu Mengnan, Director of the Financial Research Center and dean of the School of Continuing Education, Xiamen University.



International Monetary Forum 2022 Event Series

No. 2: Symposium on Financial Openness and High-Quality Development

On July 24, the Symposium on Financial Openness and High-Quality Development was successfully held online, hosted by the International Monetary Institute (IMI), Renmin University of China, with the School of Finance and Economics of Renmin University of China and the China Center for Financial and Fiscal Policy Research as its organizer and the China Industrial Economics Journal as its co-organizer. This symposium is event series No. 2 of the “International Monetary Forum 2022” and is divided into two sessions: opening ceremony and thesis presentation.

The opening ceremony was hosted by Qu Qiang, member of IMI International Committee and director of China Financial Policy Research Center. Shi Dan, Director of Institute of Industrial Economics of the Chinese Academy of Social Sciences and Editor-in-Chief of China Industrial Economics, and Zhuang Yumin, Dean of the School of Finance of Renmin University of China and Chairman of IMI, delivered opening speeches respectively. The symposium has invited four keynote speakers: Wu Xiaoqiu, former Vice President of Renmin University of China and President of China Capital Market Research Institute; Wang Guogang, member of IMI International Committee, Professor of School of Finance of Renmin University of China and member of Academic Committee of CASS; Chen Daofu, Deputy Director of Research Institute of Finance of Development Research Center of the State Council; Guan Tao, Global Chief Economist of BOC International and former Director of Department of Balance of Payments of SAFE. The guest hosts of the keynote session were Zhang Qizai, Secretary of the Commission for Discipline Inspection and Deputy Director of the Institute of Industrial Economics of the Chinese Academy of Social Sciences and Deputy Editor-in-Chief of China Industrial Economics, and Zhang Chengsi, Member of IMI International Committee and Vice Dean of the School of Finance of Renmin University of China.

Wu Xiaoqiu spoke on “What does financial openness mean for China?” He first analyzed the meaning of financial openness—it mainly consists of three parts: local currency liberalization, institutional internationalization and full market opening. In China, the pace of internationalization of financial institutions is fast and the institutional arrangement of internationalization has been completed, while the liberalization of RMB and the full opening of capital market are still in the exploration stage. Then, Wu analyzed what are the difficulties of financial openness for China. He pointed out three worries: firstly, the legal system is still weak and needs further improvement; secondly, there are concerns about the security of property rights; thirdly, there are hidden worries about the sustainability of the

economy, especially the innovation capacity of the economy. Again, Wu discussed what did financial openness mean for China: the expansion of the financial resource allocation boundary, the improvement of the risk allocation mechanism, the enhancement of the international transmission effect of China's financial risks; the RMB becomes an international type of currency, thus providing a new alternative currency for the global monetary system; the modernization process of Chinese society is further accelerated. Finally, Wu pointed out the goals of China's financial openness: first, to enhance the financial competitiveness of the Chinese economy; second, to realize the liberalization of the RMB; and third, to build China's financial market, especially the capital market, into a new international financial center in the world, with RMB-denominated assets becoming important assets available to international investors.

Wang Guogang delivered a speech focusing on Chinese finance going out. He reviewed the history of the development of multilateralism rules, which has gone through three stages: unilateralism, multilateralism manipulated by the US (dollar) unilateralism, and multilateral mechanism. To implement the "Belt and Road" Initiative, three interrelated challenges need to be addressed in financial practice: the "Belt and Road" infrastructure requires huge amounts of capital, the nature of the huge amounts of capital needs discussion, and how to prevent political risks. In building a "community of interests", the structural mechanism of capital can coalesce the interests of various investors and bring them together to mitigate risks. In order to form a diversified capital structure, three issues should be resolved: consensus among investors of different countries on investment projects; implementation of the mechanism of equity equality in equity investment; and formation of a mechanism for trading capital rights and interests. As to the realization of diversified capital structure, he proposed that in the construction of "Belt and Road", diversified capital structure can be developed from four interrelated levels: establishing multilateral financial institutions; forming and improving multilateral mechanisms in financial products; establishing multilateral financial trading markets; and mapping out certain geographical areas in countries to develop multilateral economy. In this process, long-term synergy effect between equity equality and equity financing is crucial. If the idea of diversifying capital and implementing multilateral mechanisms can be carried out, the construction of "Belt and Road" can be responded to by all countries, the financial sector will receive strong support, and the internationalization of RMB will be get rid of the limitation brought by foreign exchange reserves.

Chen Daofu shared the progress of China's financial openness and his thoughts on further opening up. Firstly, Chen affirmed that China had made good progress toward financial openness: China's financial service industry has basically achieved national treatment under the negative list approach, the financial market has continued to expand the channel for its opening-up, the RMB offshore market has developed rapidly, and China has implemented a managed floating exchange rate system based on market supply and demand and with reference to a basket of currencies. Secondly, Chen pointed out the characteristics of China's financial opening process: to



coordinate and promote the opening of both the financial service industry and the financial market and the marketization reform of the RMB exchange rate; to open up the market with the focus on trading links, and to improve convenience while regulating the currency exchange rate; to enable the internationalization of RMB and financial openness to reinforce each other, and to let the RMB offshore market play its full part. Finally, Chen proposed to further promote financial openness. Currently, the international environment is complex and severe, the financial market is turbulent, and the opening of the financial market has substantially affected cross-border capital flows and exchange rates, making the relationship between finance and economy even more complex. In this case, China needs to coordinate the relationship between Chinese characteristics and international practices and strike a balance between “bringing-in” and “going out”. We should focus on the convergence of domestic and foreign rules and standards, pilot the integration of rules in specific regions, lay emphasis on the spillover and interaction of great power of great powers' policies, and pay attention to the security mechanism and infrastructure construction related to financial openness.

Guan Tao delivered a speech titled “China’s Experience on Exchange Rate Choice and Currency Internationalization”. Guan pointed out that the 14th Five-Year Plan clearly proposes establishing a new system for higher-level open economy and improving the opening-up security system. One of the important aspects is to promote the internationalization of RMB in a prudent manner, adhere to market-driven operation and independent choice of enterprises, and create a new type of mutually beneficial cooperative relationship based on the free use of RMB. China shifted to a neutral exchange rate policy and regulatory police in 2018. Since then, the internationalization of RMB has generally progressed steadily, the exchange rate regulation mechanisms have been optimized, and the risk-neutral awareness of market participants has been strengthened. In the future, we should continue to deepen the marketization reform of the RMB exchange rate in the following three aspects: first, further improve the RMB central parity formation mechanism and enhance the representativeness of the central parity; second, vigorously develop the domestic foreign exchange market by diversifying trading products, expanding trading entities and relaxing trading restrictions; third, manage the relationship between financial openness and exchange rate choice from an institutional perspective, and choose the right time and way to provide legal guarantee for the central bank to exit from regular intervention on foreign exchange from the perspective of opening up based on institutions. Generally speaking, to promote a high level of financial openness, it is important to expand the institution-based opening-up and improve the opening-up security system. We should respect the market and the law, improve exchange rate regulation, develop the foreign exchange market and rationalize the relationship between supply and demand. In addition, we also need to give clear guidance to expectations, continuously improve prudent macro management, strengthen the risk-neutral awareness of the market, control risks associated with currency mismatches and exchange rate exposure, and improve our ability to maintain national

economic and financial security while opening up to the outside world.

The thesis presentation session was held in the afternoon, which is consist of four parallel forums. More than 30 experts and scholars from Renmin University of China, Peking University, Tsinghua University, Central University of Finance and Economics, Sun Yat-sen University, Chinese Academy of Social Sciences, and other universities and research institutions have attended this session. The expert presentation focuses on four themes: “International Financial Market and Risk Prevention”, “the Internationalization of RMB and Cross-border Capital Flows”, “Digital Finance and High-quality Development”, and “Economic Opening and Corporate Investment”.



International Monetary Forum 2022 Event Series

No. 3: China-US Student Leaders' Dialogue

On the morning of July 27, the 2022 China-US Student Leaders' Dialogue was held online as Event Series No. 3 of the International Monetary Forum 2022. This event was co-hosted by International Monetary Institute (IMI), Renmin University of China (RUC) and the US CET Academic Project, co-organized by the Youth League of School of Finance of RUC and Gintong Global Financial Talents Program.

This forum was themed "Sino-US cooperation in green finance". International students attending the forum were from world-class universities such as University of Washington, Yale University, Georgia Institute of Technology, Harvard University and George Washington University. Domestic students were from Renmin University of China, the University of Hong Kong, Central University of Finance and Economics, Sun Yat-sen University, Zhongnan University of Economics and Law, Minzu University of China, Xiamen University, Tianjin University of Commerce, Shanghai International Studies University, Harbin Institute of Technology and Beihang University. They have fully exchanged their ideas on the theme.

The first half session of the forum was presided over by Luo Yu, deputy secretary of CPC, School of Finance, RUC, and the second half by Wang Chenxi, lecturer, School of Finance, RUC. The forum admitted a total of 18 papers, among which six came from the US students and 12 from the domestic students. Paper presenters were Kristen Bentley from University of Washington, Chen Shuobing from the University of Hong Kong, Hong Sijia from Central University of Finance and Economics, Jacques Cornec from Yale University, Huang Ping from Sun Yat-sen University, Lei Tianyi from Zhongnan University of Economics and Law, Grace Gelaude from Georgia Institute of Technology, Li Ming from Minzu University of China, Li Yuntian from Renmin University of China, and Edwin Jin from Harvard University, Lin Bofan from Xiamen University, Lin Jingcheng from Tianjin University of Commerce, Olivia Pfeiffer from George Washington University, Pan Yingying from Shanghai International Studies University, Ren Yujie from Harbin Institute of Technology, Anna Tran from Yale University, Zhang Haoxuan from Beihang University, and Zhang Hongwei from Central University of Finance and Economics.

The guests all recognized and appreciated the students' excellent performance. Guo Jianwei, former editor-in-chief of China Financial Publishing House and senior research fellow of the Institute of Finance and Sustainability, not just recognized their academic rigor and the referability of their suggestions, but also added more details to the concept of green finance as well as the sovereignty and boundary of virtual currency. Sun Mingchun, chief economist of Haitong International Securities Group Limited and vice chairman of Chinese Financial Association of Hong Kong, expected the students to raise awareness of the reality and urgency of climate risks. He expressed his hope that they could brave the challenges ahead and shoulder the

responsibility of developing green finance, since risks often come with opportunities. Zhou Yueqiu, chief economist of ICBC, believed that tackling climate challenges was a global task. He praised the students for their enthusiasm and responsible attitudes. Meanwhile, as an insider of financial institutions and a green finance researcher, he stressed that the research system of green finance had yet to be mature, so he encouraged the students to further engage in in-depth researches and international cooperation on addressing climate challenges. Lan Hong, deputy director of the Center for Eco-Finance Studies, RUC, and professor of School of Environment & Natural Resources, RUC, emphasized the necessity of Sino-US cooperation in green finance, analyzed the macro policies for promoting this area in China, and noted that green finance must be combined with financial technology. Lu Dong, associate professor of School of Finance of RUC, encouraged them to study the relationship between green finance and currency internationalization, held that the key to the internationalization of RMB lied in a multi-layered financial system where the domestic bond market played a vital role. Zhou Guangwen, chairman of board, Ginkgo Capital and Beijing Gintong Investment Co., Ltd. and vice chairman of the Union of Finance Alumni of Peking University, put forward three key words of green finance: globalization, technology and finance. By integrating green finance with globalization, technology and, above all, the future monetary system, he offered new angles to this field.

At this forum, in the spirit of seeking common ground, reserving differences and pursuing win-win cooperation, the students from China and the US fully discussed about the prospect of Sino-US cooperation on green finance in an open-minded and innovative manner, contributing their wisdom to the building of a community with a shared future for mankind. This forum served as an inclusive platform for the students from the two countries to freely exchange their insights. It has deepened their understanding of green finance and Sino-US financial cooperation, and enhanced the friendship between the young generations of the two countries.



Research

Macro-Finance Salon

Editor's Note:

Macro-Finance Salon is a high-level academic salon initiated by IMI and Department of Money and Banking of School of Finance at RUC. The salon aims at promoting the study and practice of Macro-Finance, as well as its disciplinary program, while carrying out in-depth research on Macro-Finance theory, policy and strategy. The concept of "Macro-Finance" stems from Professor Huang Da's fundamental idea of integrating macro and micro financial theory, which systematically regards finance and real economy as a whole. In the book of "General Theory of Macro-Finance", Chen Yulu, Deputy Governor of PBoC, demonstrates the fundamental connotation and methodology of Macro-Finance, laying theoretical and empirical foundation for Macro-Finance framework, which facilitates long-term economic growth and stronger national competitiveness.

Macro-Finance Salon (No. 188): New Citizens and New Models: Housing Markets for the Future

On July 7, 2022, the Macro-Finance Salon (No. 188) was held online. This event was co-hosted by the International Monetary Institute (IMI) and the Department of Monetary Finance, School of Finance, Renmin University of China (RUC), and organized by the Macroeconomic Research Office of IMI. During the seminar, Zhang Bin, Deputy Director, Institute of World Economics and Politics, CASS, delivered a keynote speech titled "New Citizens and New Models: Housing Markets for the future". Professor Wang Guogang, School of Finance, RUC; Member of Academic Committee, CASS; Li Xunlei, Chief Economist, Zhongtai Securities; Xia Lei, Chief Economist, Sealand Securities and Chen Xiaoliang, Associate Editor&Reviewer, Institute of Economics, CASS gave speeches respectively. The salon was moderated by Zhao Xijun, Co-Dean, Academy of China Capital Market, RUC.

In his keynote speech, Zhang Bin covered four aspects. The first part is about high

housing prices. High housing market prices are driven by a series of factors including the cost of industrial financing and the imbalance between supply and demand. Meanwhile, housing prices are also supported by the ability of residents' income to cover mortgage interest. When housing supplies are elastic, high housing prices will contribute to development in all sectors. The biggest impact of current high housing prices is that they raise living costs of people working in big cities. The second problem is high indebtedness. A large number of precipitated assets make the phenomenon of high turnover within the real estate market and the declining asset turnover ratio a paradox. High indebtedness will also affect macroeconomic stability through the credit channel. The third aspect is about high financialization. Residents now use real estate as their main investment vehicle. The impact of real estate lending on other sectors is related to aggregate demand and inflation. In the fourth part, the future of real estate markets and the main imbalance facing housing markets are analyzed. Finally, policy recommendations are made on construction programs of metropolitan areas for new citizens and debt restructuring programs.

Macro-Finance Salon (No.190): Green Finance and ESG

On September 20, 2022, the Macro-Finance Salon (No. 190) was held online. This event was co-hosted by the International Monetary Institute (IMI) and the Department of Monetary Finance, School of Finance, Renmin University of China (RUC). Several financial experts were invited to discuss green finance and ESG. Gao Haoyu, Associate Professor, School of Finance, RUC, delivered a keynote speech. Mei Dewen, President, Beijing Environment Exchange, Sun Mingchun, Chief Economist, Haitong International Securities Group Limited, Tang Yongjun, Professor, HKU Business School, Chief Editor of International Review of Finance and Tu Yonghong, Deputy Director of IMI, and Dean of Yangtze River Economic Zone Research Institute, RUC, participated in the seminar. The salon was presided over by Zhao Xijun, Co-Dean, Academy of China Capital Market, RUC.

Associate professor Gao Haoyu gave a speech on green finance and ESG investing. He pointed out that green finance is essential for economic growth to shift from high-speed to high-quality, as is mentioned in the 14th Five-Year Plan and Long-Range Objectives Through the Year 2035. Academic studies on corporate green finance mainly focuses on two questions: how the financial market prices the environmental risks of businesses and how environmental risks impact corporate investment and financing. In addition, green credit, green bonds and ecological legal guarantee are also topics of concern. Studies on ESG (Environmental, social, corporate governance) focus on the profitability of ESG investment strategies and how ESG enhances enterprise value.

In the future, green finance and ESG should be promoted in the following four ways. First, shift from the single-product pattern to multi-product collaboration. There should be diversified products such as green bonds, green funds, green insurance, and



carbon emissions trading instead of fixing eyes on green credit. Second, move from policy support to market selection. Social capital should be encouraged and guided to take the initiative in green transformation; Supporting infrastructure related to carbon assets, carbon business and carbon finance should be improved; A market-led and policy-guided ESG driving mode for businesses should be put in place. Third, a mechanism of green assessment and risk management should be established. We should clarify the green financial responsibility of banks and insurance institutions; Upholding the principle of prioritizing stability while pursuing progress, we should strive to enhance the level of green financial management of businesses and financial institutions. Fourth, guarantees and norms of market infrastructure should be established. We should regulate the standards and evaluation systems of green disclosure and green auditing; We should promote rule of law in ecological sense by building a compensation system for ecological and environmental damage and making it a long-term mechanism.

Later, the guests had a comprehensive discussion on the keynote speech and relevant questions. During the discussion, they expressed their views on major policies, corporate economy and the economic impact of green finance and ESG.

The Macro-Finance Salon (No. 192): Direction of Monetary Policy amid Fluctuations in the RMB Exchange Rate

On September 24, 2022, the Macro-Finance Salon (No. 192) was held online. This event was co-hosted by the International Monetary Institute (IMI) and the Department of Monetary Finance, School of Finance, Renmin University of China (RUC). A number of financial experts were invited to explain the direction of monetary policies amid fluctuations in the RMB exchange rate. Lu Zhe, IMI Research fellow and Chief Macro Economist of Topsperity Securities, delivered a keynote speech. The seminar was joined by Ding Jianping, Deputy Director, Shanghai Institute of International Finance Center, Guan Tao, Global Chief Economist, BOC International, Lian Ping, Chief Economist and Director, Zhixin Investment Research Institute and Lu Dong, Associate Professor, School of Finance, RUC. The salon was moderated by Wang Fang, IMI Deputy Director, Associate Dean, School of Finance, RUC.

Lu Zhe delivered a keynote speech composed of two parts. In the first part, he forecasts where the exchange rate will go in the future against the backdrop of high RMB exchange rate volatility and the risk of RMB depreciation. The second part is about how to maintain a balance between a stable growth rate and a stable exchange rate against the backdrop of pressure in China's macro-economic situation and RMB depreciation. He also mentions the subsequent monetary choices of China's central bank. He believes that the depreciation of the yuan is mainly attributed to declining exports, rising interest rate spread between China's central bank and the European Central Bank and the transmission of short selling pressure from offshore to onshore. Regarding the trend of the RMB exchange rate, he believes that a further downward

movement of the exchange rate will help China's fundamentals and economy make progress while maintaining stability. The exchange rate will see a certain appreciation after Q1 next year and bring a “Strong Dollar” to an end. The yuan is going to be fixed and appreciate in January next year. In terms of monetary policies, Lu makes three conclusions: first, the short term policy interest rate will not be further cut this year; second, cutting required reserve ratio is of higher priority than lowering interest rates and is likely to be implemented in October or November; third, if a rate cut is carried out, the People’s Bank of China will choose to lower the five-year LPR or bill rate to depress the price cost of the real demand side.

In the seminar session, guests discussed the issues of fluctuations in the RMB exchange rate, future monetary policies and RMB internationalization from multiple perspectives including internal and external factors of RMB exchange rate adjustment, policies on exchange rates and interest rates and the space for the central bank’s monetary policy tools.



Huarui Fintech Salon

Huarui FinTech Salon (No. 2): Blockchain Technology Development and Its Application Trend

“Huarui FinTech Salon” (No. 2), jointly hosted by Shanghai Huarui Bank, International Monetary Institute (IMI), Renmin University of China(RUC) and RUC FinTech Institute, was held on August 30 afternoon online. The theme of the salon was “Blockchain technology development and its application trend”. The keynote speech was delivered by Cao Feng, Member of the China FinTech 50 Forum (CFT50). The following experts attended the salon: Deng Di, Chairman of Taiyi Group; Sun Xi, Senior Expert of Ant Group Research Institute; Yang Dong, Executive Dean of Blockchain Research Institute, RUC; Wu Entao, Managing Director of South China Sea Cooperative Innovation Development Fund. The event was moderated by Qiu Zhigang, Senior Research Fellow of IMI and Professor of School of Finance, RUC.

Cao Feng delivered a keynote speech. He pointed out that blockchain is a rapidly evolving technology, which integrates with other technologies. He said that metaverse and DAO are the most popular technologies and presented some features of metaverse. First, persistence. Second, real-time experience. Third, a fully functioning economy. Fourth, unprecedented connection between data and value. Fifth, users create value and also enjoy it.

In addition, the metaverse has many other connotations beyond blockchain. The annual trend for 2022 is the multi-chain era and cross-chain. This year there is also the transformation of Ether 2.0, which means the transformation from the BeaCon chain to the ongoing transformation of the Ethereum mainchain from POW to POS, and to Sharding. L2 (L2) is also an important technology. NFT is now also widely used.

Cao Feng also pointed out that another important issue comes from the Decentralized Society, which raises the issue of Web3 social identity because the existing Web3 still lacks the original language to represent social identity. The paper argues that the core is to find Soul to solve the decentralized identity problem through technology. Soul is an account that can hold the SBT (Soulbound Token) and is a unique identifier to demonstrate that SBT is not transferable. Soul has all the capabilities of Web3 and differs from the current blockchain Wallet. The economic value of Soul mainly comes from the relational properties of the identities, which is similar to a proof of experience profile. It is still unknown whether Web3 Soul will ever be truly used. The blockchain is the infrastructure of Web3 in the network layer. Web3 can even be regarded as the blockchain. In fact, the most important thing about Web3.0 is who will own the Web. Finally, Cao Feng said DAO is also an important development direction. In the future, the value from the community may achieve the conversion of the Company-owned paradigm.

Then, the participants carried out extensive discussions on the keynote reports and related issues, expressing their views on topics such as blockchain, metaverse, and so on.



Exchange

Wealth Management Summit: Industry Trends amid the Global Change and Launch of the Evaluation Report on China's Wealth Management Capacity 2022

On August 25, the “2022 Wealth Management Summit: Industry Trends amid the Global Change” and the launch of the Evaluation Report on China’s Wealth Management Capacity 2022 was held in Beijing. The summit was organized by Xinhuanet and the School of Finance, Renmin University of China (RUC), and co-organized by the International Monetary Institute (IMI) of RUC, the Wealth Management Research Center of RUC, and the Golden Bull Financial Research Center of China Securities Journal. The participants had in-depth exchanges on the features of China’s wealth management industry, how wealth management institutions can build core competitiveness, how to improve investors’ sense of fulfillment and other heated issues in the industry. Tan Songtao, Director of the Wealth Management Research Center of RUC, presided over the summit.

Zhou Hongjun, Member of the Standing Committee of the Party committee, director, and Executive Editor-in-Chief of Xinhuanet Co., Ltd, and Zhuang Yumin, Dean of the School of Finance of RUC and Chairman of Council of IMI delivered opening remarks.

In the keynote session, Wang Hongzhang, former Chairman of China Construction Bank, pointed out that serving the real economy is the duty of wealth management. Digitalization is the future of the asset management industry, but it’s too early for an all-round digital transformation because it is very different from traditional financial system and the industry lacks relevant experiences, perception, expertise, and data. A “step-by-step” approach can be adopted to first enable simple operational businesses such as channels, transactions and payments, then to build complex systems such as investment research and analysis, risk control and process management, and ultimately to achieve pass-through management with digitalization.

Li Yang, Member of the Academic Committee of CASS and Chairman of Council of National Institution for Finance & Development, noted in a video speech that asset management is an effective mechanism to reduce the proportion of indirect financing. Trust companies should conduct financing businesses as trustees and get revenue from the services they provide rather than from spreads. He suggested securities investment

pay special attention to the expansion of equity investment. The industry should consider the reality of economic development to support key areas such as industrial upgrading, green and low-carbon development, medical and healthcare, strategic emerging industries, Guangdong-Hong Kong-Macao Greater Bay Area, and Yangtze River Delta Economic Zone, and promote the virtuous cycle of financial sector and real economy.

Wu Xiaoqiu, former Vice President of RUC and Dean of Academy of China Capital Market of RUC, noted that the “wealth management” of market finance rises with economic development, improved income level, and a robust market economy system. The transition from prioritizing financing to balancing financing and wealth management calls for structural reform and adjustment of the financial sector. He pointed out that based on the changes in demand and supply, the industry should first vigorously develop wealth management institutions, and at the same time, leverage market forces to enhance the competitiveness of China’s financial system, particularly that of wealth management.

The meeting saw the release of the Evaluation Report on China’s Wealth Management Capacity 2022. Song Ke, Deputy Director of IMI gave an overview of the report on the meeting. The report, based on index construction and other measures, provides a comprehensive evaluation of the development of China’s asset management industry and the wealth management capability of institutions, and focuses on the value of wealth management amid market volatility. The report points out that in the first half of 2022, China’s asset management industry is on the rise, with rapid year-on-year growth in various industry indices in the first two quarters and stable momentum. A diverse wealth management distribution landscape has taken shape, led by banks and supplemented by brokers, public funds, and third-party institutions. Institutions complement each other in terms of customer base, channels and technologies to promote the quality growth of wealth management industry.

The industry forum was chaired by Xu Jianjun, director of Golden Bull Financial Research Center of China Securities Journal. Guests from China CITIC Bank, Xingyin Wealth Management, CITIC Securities and ICBC Credit Suisse Asset Management had in-depth discussion on steps to take in wealth management transformation, how financial technology can better serve investors and other hot topics in the industry.



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