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S&P Global China Ratings

2026 Panda Bond Market Review: Foreign Participation Deepens, Quality-Driven Shift Underway

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Key Takeaways

- Panda bond issuance amounted to approximately RMB 160 billion in H1 2026, up 68% year-on-year, with outstanding volume surpassing RMB 500 billion for the first time in July. The share of foreign issuers rose to 50%, with sovereigns, foreign banks and multinational corporations accelerating their entry, diversifying the issuer base.
- Market expansion is being driven by the cost advantage of RMB financing, institutional opening-up and a more diverse investor base. The negative China-U.S. yield spread and a broadly stable, moderately strong RMB underpin the cost advantage, while policies such as the relaxation of cross-border fund usage continue to deliver tailwinds and demand-side participation has also been expanding. The policy focus is shifting from market access to trading ecosystem optimization.
- Issuer industries are rotating from real estate toward financial and green sectors. The tenor profile remains concentrated in 3-year papers, while 5-year supply is increasing. Credit quality is solid: 87% of internationally rated issuers are investment-grade, while domestically rated issuers are predominantly AAA.
- We believe that interest rate advantages and policy dividends are likely to persist, with green panda bonds and issuer diversification serving as growth engines. That said, risks from external policy uncertainty and refinancing pressures on weaker credits warrant attention. In the long run, the market is transitioning from scale-driven expansion to a new phase of structural optimization and quality-driven growth.

I. Market Size Continues to Expand, Driven by Multiple Factors

Panda bonds are public or private debt instruments issued in RMB by overseas entities in China's onshore market. First introduced in 2005, they are primarily traded in the interbank market. Facilitated by the relaxation of cross-border fund usage regulations and favorable onshore financing conditions, issuance reached a record high in 2024. The market demonstrated resilience in 2025, with issuance picking up and net financing rebounding. In 2026, issuance continued to gain momentum, underscoring robust global demand for RMB-denominated liabilities amid diverging monetary policy cycles. The cost advantage of onshore low interest rates, continued improvement in institutional opening-up policies, and RMB exchange rate stability have jointly driven issuance demand, laying the foundation for the long-term expansion of the panda bond market.

1. Bond Types and Market Structure

When issuing panda bonds in China's onshore market, overseas entities may select different bond varieties (e.g., financial bonds, corporate bonds) in either the interbank market or the exchange market based on their institutional type, reflecting China's dual-track capital market system. The two markets have different functional focuses: the interbank market, with its more comprehensive set of dedicated rules, broader product spectrum, and issuer-friendly design for international participants, serves as the dominant platform for panda bond issuance, accounting for approximately 99.3% of total issuance since the beginning of 2026. The exchange market, by contrast, plays a supplementary role.

Table 1

Types of Panda Bonds

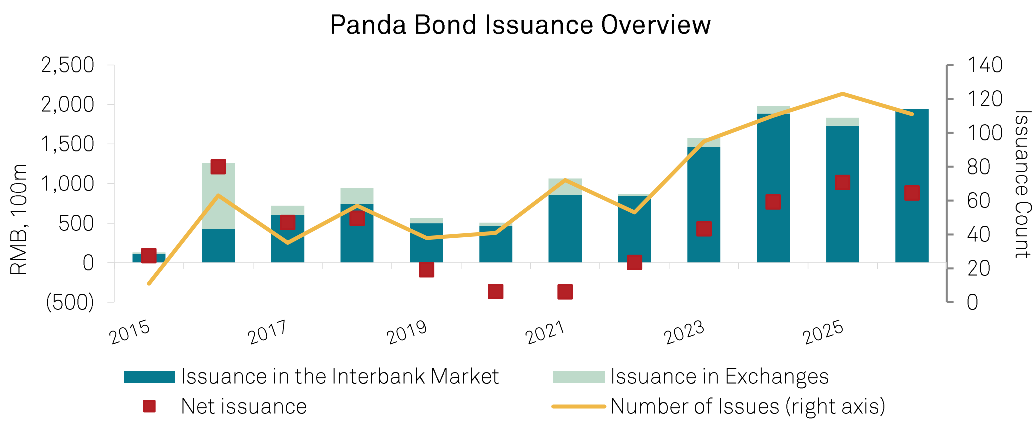
Issuer Type	Bond Type	Trading Venue	Registration/ Approval Authority
International development institution	RMB Bond	The interbank market	The issuer should register with NAFMII.
Foreign government agency	RMB Bond	The interbank market	The issuer should register with NAFMII.
Overseas financial institution	Financial institution bond	The interbank market	The issuer should get approval from PBOC.
Overseas non-financial enterprise	Debt financing instrument	The interbank market	The issuer should register with NAFMII.
	Corporate bond	Exchanges	The issuer should register with CSRC and get approval from exchanges.

Note: 1. Debt financing instruments include but are not limited to medium-term notes (MTN), commercial papers (CP), super short-term commercial papers (SCP), private placement notes (PPN), perpetual notes, green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. Corporate bonds include ordinary corporate bonds, private placement bonds, convertible bonds, and exchangeable bonds.
2. Abbreviations: NAFMII = National Association of Financial Market Institutional Investors ; PBOC = People's Bank of China; CSRC = China Securities Regulatory Commission.
Source: NAFMII, complied by S&P Ratings (China).

2. Issuance Scale and Outstanding Growth

In 2026, China's panda bond market achieved significant breakthroughs, demonstrating a trend toward larger-scale and more regular issuance. Panda bonds were first introduced in 2005, and the market began to expand rapidly from 2023, with issuance reaching a record high in 2024. In 2025, due to external factors such as China-U.S. tariff tensions and RMB exchange rate volatility, the pace of issuance slowed in the first half of the year; however, as trade tensions eased and the exchange rate entered a low-volatility phase in the second half, the issuance window reopened and the market rebounded notably from the third quarter, with full-year net financing reaching a five-year high.

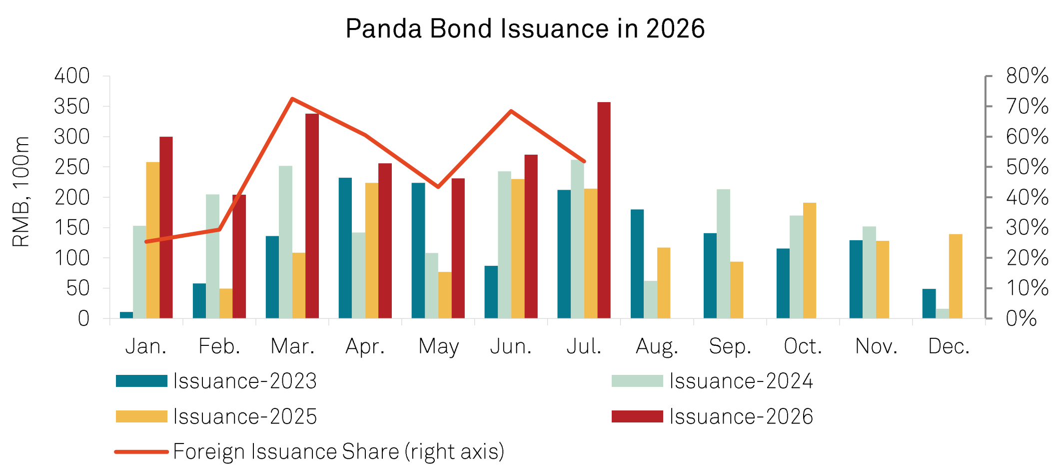
Chart 1



Note: Data as of July 31, 2026.
Source:iFinD, complied by S&P Ratings (China).

Entering 2026, panda bond issuance has maintained its strong momentum. The first week of the year saw multiple successful issuances, including those by Henkel Hong Kong and Barclays. In the first half of the year, a total of 89 tranches were issued, raising around RMB 160 billion, up approximately 68% from RMB 95.2 billion in the same period last year. Issuance in the first quarter reached RMB 84.2 billion, setting a new record for single-quarter issuance. As of July 31, a total of 111 panda bonds had been issued during the year, raising RMB 195.7 billion, surpassing the full-year total for 2025. Overall, the average monthly issuance in 2026 stands at about RMB 28 billion, up roughly 80% from the 2025 monthly average of approximately RMB 15.3 billion, indicating a significant acceleration in issuance pace.

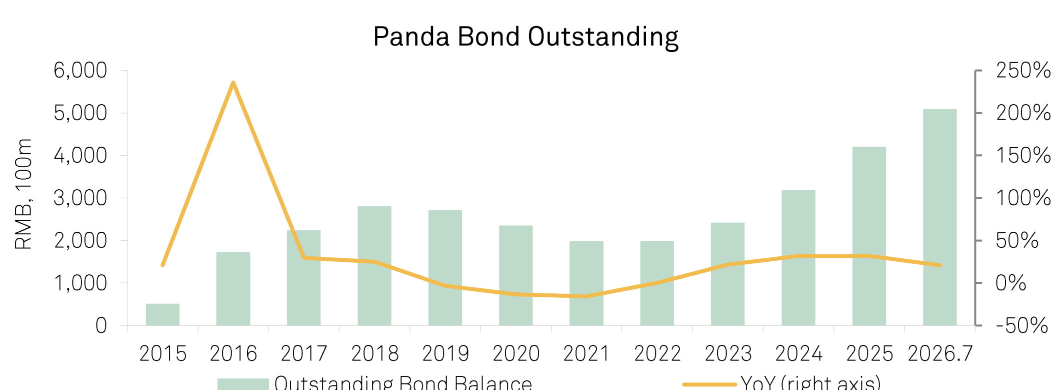
Chart 2



Note: Data as of July 31, 2026.
Source:iFinD, complied by S&P Ratings (China).

Driven by sustained robust issuance, the outstanding volume of panda bonds surpassed the RMB 500 billion mark for the first time in July 2026. As of July 31, total outstanding panda bonds in the market reached RMB 506.4 billion, up approximately 36% year-on-year. Although its share of the total onshore bond market remains below 1%, this proportion has increased compared with the same period last year, indicating considerable room for future growth. In terms of expansion pace, it took less than eight months for outstanding volume to climb from RMB 400 billion to RMB 500 billion, compared with over one year for the previous RMB 100 billion increase, suggesting an acceleration in growth momentum.

Chart 3

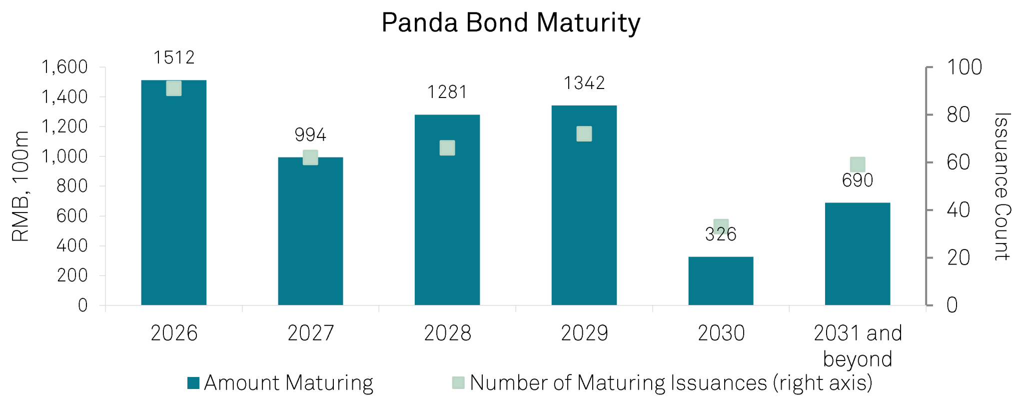


Note: Data as of July 31, 2026.
Source:iFinD, complied by S&P Ratings (China).

Alongside the rapid rise in outstanding volume, **2026 also marks a maturity peak for the next five years,** with full-year maturities expected to exceed RMB 150 billion, up nearly 85% year-on-year.

Maturity pressures are also expected to remain elevated from 2027 to 2029, with average annual maturities surpassing RMB 120 billion. For the remainder of 2026, maturities from August to December are estimated at approximately RMB 44 billion, with November being a relatively concentrated maturity period in the second half, exceeding RMB 15 billion. Against this backdrop of significant maturity pressures, rigid refinancing demand will serve as an important support for sustaining elevated issuance levels throughout the year.

Chart 4



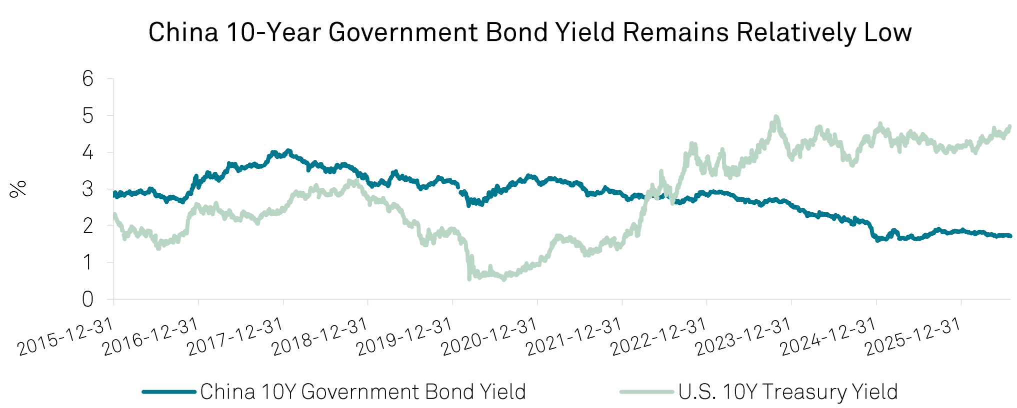
Source: iFinD, complied by S&P Ratings (China).

3. Drivers of Expansion: Cost, Institutions, Internationalization and Investor Structure

The comprehensive cost advantage of RMB financing, continued refinement of panda bond policies, the accelerating internationalization of the RMB, and a more diverse investor base together constitute the core drivers of panda bond market expansion.

The financing cost advantage is a key factor attracting foreign enterprises to issue panda bonds. Since the historic inversion of China-U.S. Treasury yields in April 2022, the cost advantage of RMB financing has gradually taken hold. Since June 2023, the spread between 10-year China and U.S. Treasury yields has consistently exceeded 100 bps, reaching 300 bps in January 2025. Against the backdrop of the Federal Reserve's elevated interest rates and ample onshore liquidity, the all-in financing cost of panda bonds has generally undercut that of same-tenor U.S. dollar bonds. For example, the 5-year panda bond issued by BNP Paribas in March 2026 carried a coupon of just 2.05%, while its offshore U.S. dollar bonds typically yielded around 5%—a significant cost advantage.

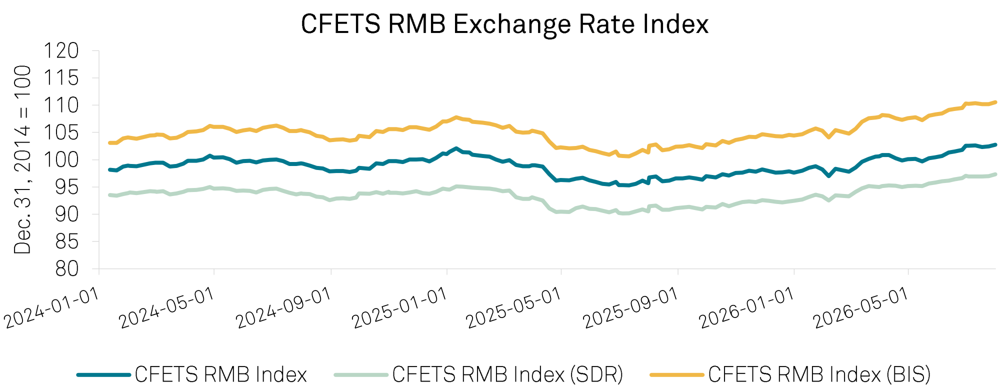
Chart 5



Source: iFinD

RMB exchange rate stability complements the interest rate advantage, further reducing all-in financing costs. A stable exchange rate expectation significantly reduces currency mismatch risk in cross-border financing. Foreign issuers that obtain RMB proceeds through panda bond issuance and swap them into foreign currencies via currency swaps may still achieve lower all-in financing costs than issuing U.S. dollar or euro bonds directly, even after accounting for hedging costs. Since 2025, the CFETS RMB Exchange Rate Index has stabilized and recovered after a brief decline, exhibiting a broadly stable, moderately strong trend. The RMB's growing international role in cross-border payments, foreign exchange reserves and financial transactions has further strengthened foreign entities' appetite for holding RMB assets. For multinational corporations with significant operations in China, RMB revenues can serve as a natural currency hedge against panda bond liabilities, effectively mitigating exchange rate risk.

Chart 6

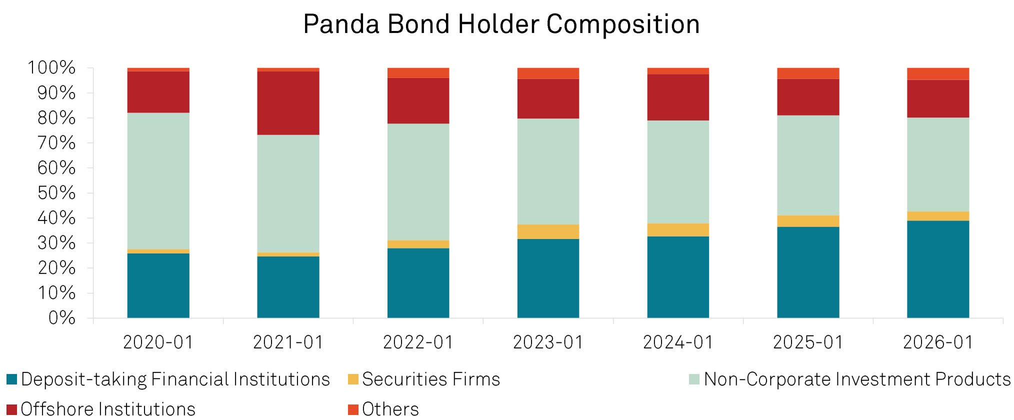


Source: CFETS

Continued policy improvements have provided important institutional support for panda bond expansion. In recent years, PBOC, SAFE and NAFMII have jointly advanced the institutional opening-up of the panda bond market, continuously refining the regulatory framework across key areas including market access, issuance pricing, information disclosure, and fund utilization. The introduction of innovative mechanisms such as flexible book-building for marginal zones, time-priority allocation, and sharing of underlying order books has systematically optimized the issuance environment and effectively aligned practices in China's bond market with international standards.

A more diverse investor base has enhanced the market appeal and depth of panda bonds. On the supply side, RMB financing demand continues to rise, driven by deeper cooperation between foreign enterprises and their Chinese counterparts, as well as growing cross-border trade and financing needs arising from Chinese corporates' overseas expansion. On the demand side, against the backdrop of a downward yield curve and "asset scarcity," institutional investors, notably joint-stock banks, securities firms, fund management companies and deposit-taking financial institutions, have incorporated panda bonds into their asset allocation, broadening the investor base with the share of deposit-taking institutions gradually on the rise. This shift in market participant composition is also conducive to improving secondary market liquidity, providing demand-side support for continued market expansion.

Chart 7



Note: Others includes policy banks, non-financial corporate entities, other financial institutions, fund management companies, insurance companies, as well as asset management plans or wealth management products issued by licensed financial institutions, invested in the name of products, and without independent legal entity status.
Source: iFinD, complied by S&P Ratings (China).

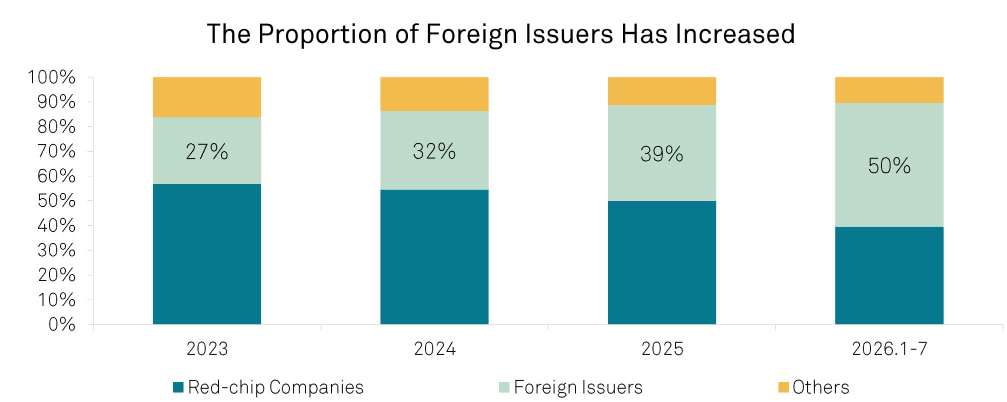
II. Market Structure Continues to Optimize Amid Orderly Institutional Opening-Up

1. Issuer Profile: Type, Sector, Tenor and Rating Characteristics

The composition of panda bond issuers is undergoing a profound transformation, evolving from early pilot programs by international institutions and a predominance of Chinese red-chip entities to a more diversified landscape with broad participation by foreign entities. At present, panda bond issuers fall into two main categories: red-chip companies and foreign issuers. Foreign issuers primarily include: (i) international development institutions, such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB); (ii) foreign government entities, such as Hungary and Egypt; (iii) foreign financial institutions, including foreign banks and non-bank financial institutions, such as BNP Paribas and Morgan Stanley; and (iv) foreign non-financial corporates, such as BASF and Henkel Hong Kong.

Foreign participation has increased markedly, with the share of foreign issuers continuing to grow. At end-2025, the share of foreign issuers (excluding Chinese red-chip entities) had risen to 39%. Entering 2026, issuance by foreign entities accelerated noticeably, with the foreign issuer share reaching 50% by end-July and cumulative issuance for the year exceeding RMB 100 billion.

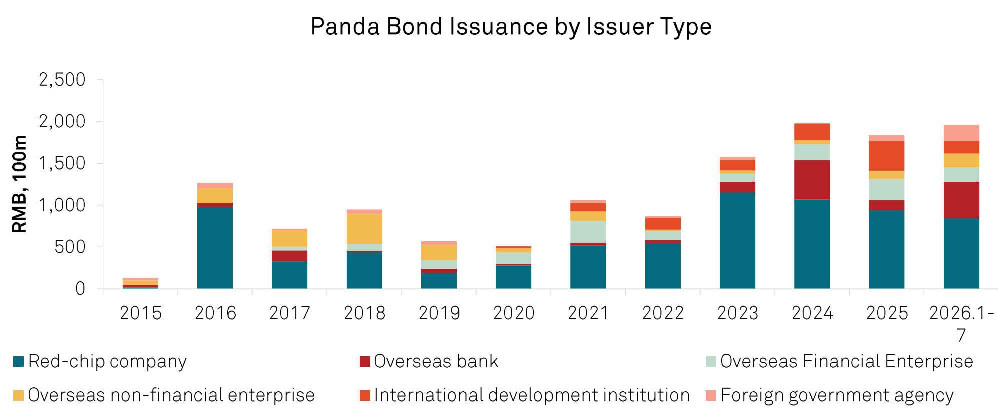
Chart 8



Source: iFinD, complied by S&P Ratings (China).

Looking at the structure of foreign issuers, most categories have shown growth, with sovereign issuers accelerating their entry. In the first half of 2026, the governments or sovereign wealth funds of Slovenia, Pakistan and Kazakhstan completed their inaugural issuances, bringing the total issuance by foreign government entities to nearly RMB 20 billion, compared with just RMB 7 billion for the full year 2025. At end-June, Brazil's Ministry of Finance also submitted an issuance application, potentially becoming the first Latin American sovereign panda bond issuer. Foreign financial institutions have also played an increasingly important role in the panda bond market. From January to July 2026, foreign banks and non-bank financial institutions issued a combined total of over RMB 60 billion, compared with RMB 37.3 billion for the full year 2025. In addition, issuance by foreign non-financial corporates has also far exceeded the full-year 2025 level.

Chart 9

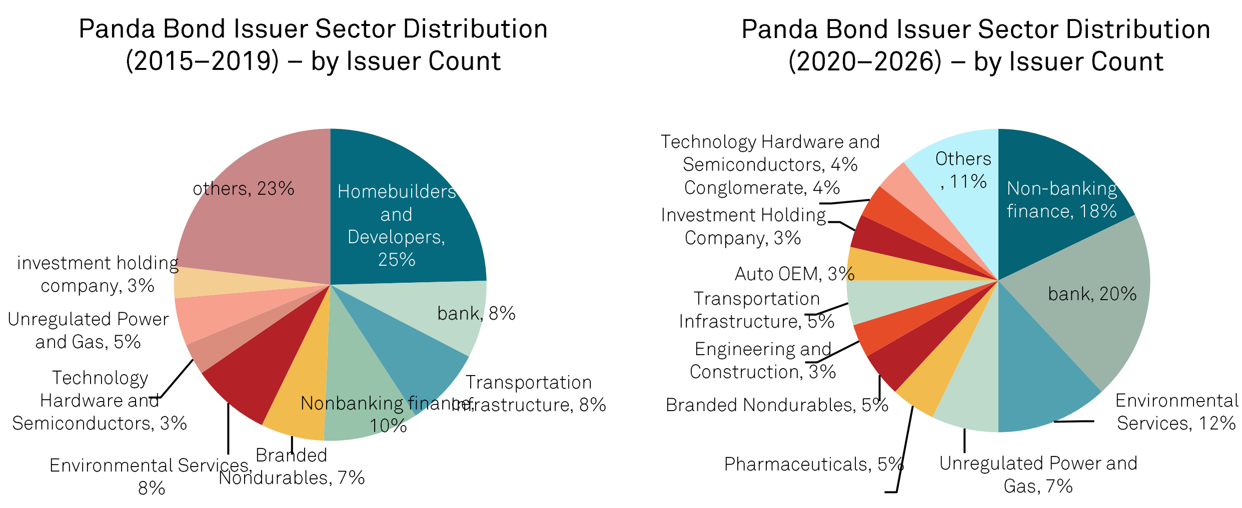


Source: iFinD, complied by S&P Ratings (China).

From a sector perspective, panda bond issuers have shifted from a real estate-dominated landscape to one driven by both financial and green sectors. Between 2015 and 2019, residential builders and developers ranked first with a 24% share of issuance volume. From 2020 to July 2026, financial institutions contributed 38% of total issuance, a significant increase from the earlier period, while the share of environmental services, utilities and power generation also expanded to 19%, reflecting rapidly growing green financing demand. In stark contrast, real estate developers, which had been most active in 2019 and earlier, have since seen their issuance scale shrink dramatically amid frequent defaults and tightening regulatory policies.

Chart 10

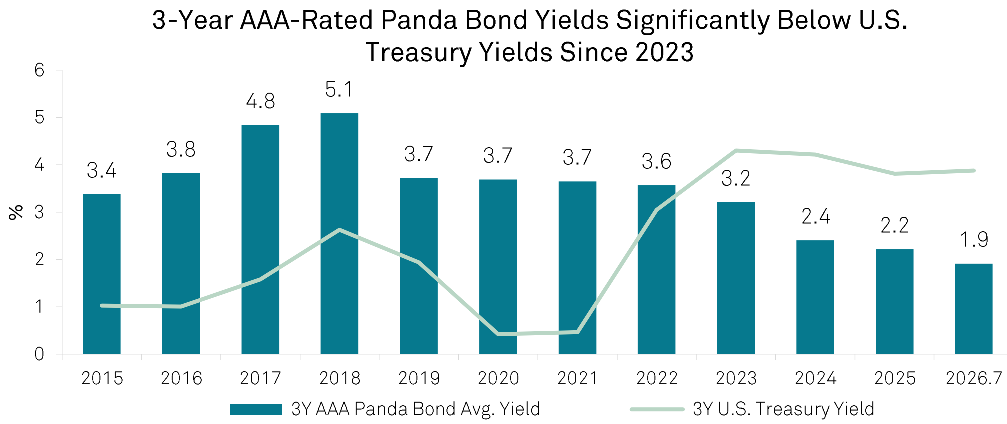
Sectoral Shift of Panda Bond Issuers



Source: iFinD, complied by S&P Ratings (China).

Issuance tenors remain concentrated in the 3-year segment, while financing costs continue to decline. Panda bond tenors are concentrated in the 3-year segment, which offers issuers a favorable balance for locking in medium-term funding costs and managing interest rate volatility, given its lower rate sensitivity. Since the beginning of 2026, the coupon rate for 3-year AAA-rated panda bonds has continued to decline and is now significantly below the yield on comparable U.S. Treasury securities. At the same time, the tenor structure is becoming more diversified, with 5-year paper supply increasing. Since 2026, Indonesia's inaugural panda bond featured a dual-tenor structure (3-year and 5-year); Barclays and Deutsche Bank have also issued both 3-year and 5-year tranches. Crédit Agricole launched the first "3+5+7" multi-tenor combination, with the 7-year tranche filling a gap in the long-end of the financial panda bond market. In our view, the gradual introduction of 5-year and longer tenors reflects both a richer tenor profile as sovereign and long-term funding entities accelerate their entry, and issuers' desire to lock in medium- to long-term low-cost funding.

Chart 11



Source: iFinD, complied by S&P Ratings (China).

On credit ratings, panda bond issuers' domestic ratings are predominantly AAA, while international ratings are primarily investment-grade. As of end-July 2026, there were 77 outstanding panda bond issuers. Of these, 45 had international ratings, 87% of which were investment-grade (BBB-/Baa3 or above), indicating solid overall credit quality; all of these investment-grade issuers that also hold domestic ratings are rated AAA. Another six issuers carry sub-investment-grade international ratings (BB+/Ba1 or lower), with domestic ratings ranging from AAA to AA+. The remaining 32 issuers without international ratings are mostly Chinese-linked entities, whose credit assessments rely more on domestic rating systems and parent company support.

2. Policy Environment Continues to Improve, Institutional Framework Gradually Matures

In recent years, the institutional development of the panda bond market has entered a fast track. From cross-border fund facilitation to the alignment of green bond standards, from tax policy stability to sustained high-level policy guidance, both the density and precision of policy support have increased significantly, driving the panda bond market to evolve from merely "accessible" to an "institutionally friendly market."

On fund management, in November 2022, the PBOC and SAFE (State Administration of Foreign Exchange) jointly issued the *Notice on Matters Concerning the Administration of Funds for Onshore Bond Issuance by Overseas Institutions* explicitly allowing panda bond proceeds to be remitted overseas and flexibly deployed at the group level for global fund allocation. This policy has enhanced the applicability of panda bonds within multinational corporations' global treasury management systems, enabling proceeds to be used for onshore project construction and business expansion, as well as overseas operations and M&A activities. Table 2 presents typical use of proceeds from panda bond issuances in 2026.

Table 2

Use of Proceeds from Panda Bond Issuances in 2026

Bond Name	Issue Size (RMB bn)	Settlement Date	Issuer	Use of Proceeds
26 Deutsche Bank AG Bond 01A	40	2026-03-09	Deutsche Bank AG	The RMB 5.5 billion proceeds from this bond issuance are intended for general group liquidity management, including financing to support the issuer's own and its clients' newly acquired RMB-denominated assets, providing RMB liquidity support to the offshore market, facilitating RMB internationalization, and supporting other business activities and development of the Bank.
26 Samruk-Kazyna Bond 01BC	30	2026-04-13	Samruk-Kazyna Sovereign Wealth Fund JSC	The proceeds from this bond will be used for investment projects of the issuer and its subsidiaries, including but not limited to infrastructure and industrial development and modernization projects in oil and gas, petrochemicals, energy, railways, as well as green economy initiatives aligned with national priority development directions.
26 Seaspan PPN001BC	15	2026-07-17	Seaspan Corporation	The net proceeds from this private placement note issuance will be used, both onshore and/or offshore, for general corporate purposes of the issuer, including repayment of FTZ loans extended by Chinese banks, ultimately to fund the construction of vessels at Chinese shipyards in RMB.
26 Indonesia Bond 01A(BC)	56	2026-07-30	Republic of Indonesia	100% of the RMB proceeds from this bond will be remitted in RMB to the issuer's offshore RMB account. The net proceeds, after deducting relevant fees and expenses, will be used for the Republic's general financing needs.

Source: iFinD, complied by S&P Ratings (China).

On green bonds, in February 2025, NAFMII issued the *Notice on Matters Concerning Further Optimizing the Green Bond Issuance Arrangements for Overseas Institutions in the Interbank Bond Marke,* allowing eligible issuers to adopt their existing international green bond frameworks and recognizing international standards such as the ICMA Green Bond Principles. This measure has streamlined the issuance process for green panda bonds, enhanced their international compatibility and operational convenience, and is expected to attract more foreign institutions to conduct green financing in the onshore market.

On the tax front, the Ministry of Finance (MOF) and the State Taxation Administration (SAT) issued a notice providing a temporary exemption from corporate income tax and value-added tax on bond interest income earned by foreign institutions investing in the onshore bond market for the period from January 1, 2026 to December 31, 2027. This provides stable tax policy expectations for foreign investors and supports their willingness to allocate panda bonds.

On high-level policy guidance, the PBOC's annual work conference in January 2026 explicitly stated its welcome for "more eligible foreign entities to issue panda bonds" and emphasized the optimization of the Bond Connect and Swap Connect mechanisms. In July, PBOC Deputy Governor Zou Lan further indicated that the central bank would continue to promote high-quality development of the panda bond market and facilitate the participation of more foreign institutions in panda bond issuance and trading. In August, the PBOC released its Q2 2026 Monetary Policy Implementation Report, which explicitly stated its support for "more eligible foreign entities to issue panda bonds" and emphasized the need to "continuously optimize the cross-border RMB policy framework, integrate and refine earlier cross-border RMB settlement policies, and improve their clarity and operability." Compared with the Q2 2025 report's call to "further promote the high-quality development of the panda bond market," the shift in language—from quality improvement to supply expansion—signals an upgrade in policy support. Collectively, these statements indicate that the policy focus is moving from market cultivation toward a dual emphasis on supply-side expansion and institutional environment enhancement, which will help lower participation costs, attract long-term stable capital, and foster a virtuous cycle of two-way facilitation between issuance and investment.

III. Outlook: Expansion Trend to Continue as Market Enters a New Phase of Structural Optimization

In the long term, China’s commitment to deepening capital market opening-up remains unchanged. Beyond the direct cost advantages and policy dividends, multiple factors—including the macroeconomic environment, RMB internationalization and institutional improvements—are expected to jointly support the continued expansion of the panda bond market.

From the perspective of financing costs, the RMB interest rate advantage is likely to sustain in the near term. Although the trajectory of U.S. monetary policy remains uncertain, China’s moderately accommodative monetary policy stance remains broadly unchanged, and the inverted China-U.S. yield spread is expected to persist for some time. Since the beginning of 2026, average yields on 3-year AAA-rated panda bonds have remained below 2%, maintaining a significant spread over comparable U.S. Treasury yields and underscoring the competitiveness of RMB financing. At the same time, RMB exchange rate expectations remain broadly stable, with a “stable and moderately strong” trajectory helping foreign issuers manage all-in financing costs. Against a backdrop of heightened volatility in major global currencies, the relative stability of the RMB further enhances the attractiveness of panda bond financing.

From the perspective of institutions, policy dividends are expected to persist. Regulators have clearly indicated they will further improve the panda bond policy environment and facilitate greater participation of foreign institutions in issuance and trading. In July 2026, CCDC (China Central Depository & Clearing Co., Ltd.) issued a notice announcing a full waiver of issuance registration and coupon payment service fees for panda bonds, with effect from September 1, 2026 until December 31, 2028, directly reducing issuers’ funding costs. Supporting infrastructure—such as yield curves and index products—is also being developed to improve market pricing efficiency and secondary market liquidity. While continuing to advance access facilitation, the policy focus is further extending toward systematic optimization of the trading ecosystem, thereby laying the groundwork for greater market depth through lower participation costs and improved infrastructure.

From the perspective of structural opportunities, green bonds and issuer diversification are expected to become important growth engines. With green panda bond issuance procedures now aligned with international standards, combined with green financing demand from Belt and Road Initiative partner countries, green panda bonds are well positioned to open new growth avenues. The successful issuance of Pakistan’s sustainability panda bond in the first half of 2026 provides an early validation of this trend. The consecutive entry of sovereign issuers also signals rising recognition of panda bonds among foreign entities—since the beginning of 2026, multiple inaugural issuances have been completed, further expanding the issuer footprint.

At the same time, external policy uncertainty and refinancing pressures on weaker credits warrant close attention. Uncertainty over the Federal Reserve’s policy path may occasionally disrupt global liquidity conditions, affecting swap yields and issuance windows. Potential adjustments to cross-border fund repatriation policies and changes in swap costs arising from RMB exchange rate volatility could also impact issuers’ all-in financing costs and issuance appetite. In addition, against the backdrop of a maturity peak, some issuers with relatively weaker credit profiles may face certain refinancing pressures. That said, with the continued advancement of institutional opening-up in China’s capital markets and the deepening of RMB internationalization, the long-term growth foundation of the panda bond market remains solid, as the market transitions from a phase of scale-driven expansion to one of quality-focused structural optimization.

Appendix 1: Outstanding Panda Bond Issuers of S&P Ratings (China) (as of end-July 2026)

Issuer	S&P Ratings (China)	S&P Global Ratings
Crédit Agricole S.A.	AAA_{spc}	A+
Barclays Bank PLC	AAA_{spc}	A+
BNP Paribas	AAA_{spc}	A+
Natixis S.A.	AAA_{spc}	A+
Henkel AG & Co. KGaA	AAA_{spc}	A
Africa Finance Corporation	AAA_{spc}	A
BMW AG	AAA_{spc}	A
BMW China Capital B.V.	AAA_{spc}	-

Source: S&P Ratings (China)

Appendix 2: Summary of Key Panda Bond Policies

Time	Issuing Authority	Document/Meeting	Key Contents
2018-09	PBOC, MOF	*Interim Measures for the Administration of Bonds Issued by Overseas Issuers on the Interbank Market*	First systematic framework for foreign institutions issuing panda bonds in the interbank market; specified issuer categories (foreign government-type entities, international development institutions, overseas financial institutions and non-financial corporate entities); required PBOC approval for overseas financial institutions and NAFMII registration for other entities; permitted staggered issuance within quotas
2022-11	PBOC, SAFE	*Provisions on Fund Administration for Overseas Institutional Investors Investing in China's Bond Market*	Unified fund administration rules for panda bonds across interbank and exchange markets; explicitly permitted panda bond proceeds to be remitted overseas; standardized registration, account opening, fund use and statistical monitoring procedures; improved FX risk management allowing overseas institutions to conduct FX derivatives transactions with onshore financial institutions
2022-11	PBOC, SAFE	*Notice on Matters Concerning the Administration of Funds for Onshore Bond Issuance by Overseas Institutions*	Unified fund administration for overseas institutional investors across interbank and exchange markets; improved spot FX settlement and sales management; expanded FX hedging channels and removed restrictions on the number of counterparties; optimized currency matching rules for fund inflows and outflows
2023-10	NAFMII	*Guidelines on Debt Financing Instruments of Overseas Non-Financial Enterprises*	Further promoted high-quality development of the panda bond market; revised and improved registration and issuance requirements for overseas non-financial enterprises' debt financing instruments; piloted simplified registration and issuance document requirements drawing on sovereign bond offering practices
2024-01	NAFMII	*Guidelines on Bond Issuance by Foreign Governmental Agency and International Development Institution Issuers*	Provided dedicated and simplified issuance rules for foreign government-type entities and international development institutions; permitted establishment of lead underwriter syndicates at registration stage with designation of lead bookrunner at issuance stage; entities with over one year of continuous disclosure history may apply for staggered issuance within registered quotas
2024-07	PBOC, SAFE	*Provisions on Fund Administration for Domestic Securities and Futures Investment by Overseas Institutional Investors*	Revised QFII/RQFII FX administration rules; further simplified business registration procedures; optimized account management and enhanced FX administration

2025-02	NAFMII	*Notice on Matters Concerning Further Optimizing the Green Bond Issuance Arrangements for Overseas Institutions in the Interbank Bond Market*	Allowed eligible issuers to adopt their existing international green bond frameworks; recognized international standards including ICMA Green Bond Principles; for foreign government-type entities and international development institutions, permitted arrangements aligned with international market practices in green project identification, proceeds management and ongoing disclosure; for overseas non-financial enterprises, added China-EU Common Ground Taxonomy and EU Taxonomy as green project identification criteria; streamlined green panda bond issuance process
2025-07	NDRC, MOF, MNR, MOC, PBOC, STA, SAFE	*Notice on Implementing Several Measures to Encourage Domestic Reinvestment by Foreign-Invested Enterprises*	Provides more efficient administrative procedures for eligible foreign-invested enterprises to conduct domestic reinvestment through panda bond issuance. Allows relevant panda bond proceeds to be channeled through a "green lane" to shorten fund transfer times and improve reinvestment efficiency.
2026-01	MOF, STA	*Announcement on Extending the Implementation of Corporate Income Tax and Value-Added Tax Policies for Overseas Institutions Investing in the Domestic Bond Market*	From January 1, 2026 to December 31, 2027, interest income earned by overseas institutions from investments in the domestic bond market is temporarily exempt from corporate income tax and value-added tax. However, interest income that is effectively connected with a domestic establishment or place of business is not eligible for the relevant CIT exemption.
2026-07	NAFMII	*Notice on Further Standardizing Credit Rating Practices for Panda Bonds*	Required credit rating agencies conducting panda bond business to strictly follow independent, objective and prudent principles in determining ratings, publish credit rating definitions and their mapping to international mainstream credit ratings, and submit such mappings to NAFMII; effective August 1, 2026; rating reports from agencies failing to publish required mappings will no longer be accepted as registration materials for panda bonds

Source: Publicly available information

This report does not constitute a rating action.

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