

Banking Financial Institutions Required to Develop the Credit-granting Business Provided to Small Enterprises

Chinese version The China Banking Regulatory Commission (CBRC) urged various financial institutions in banking sector to develop the credit-granting businesses provided to small enterprises, and must meet the credit demands of various types of small enterprises, including the individual economies, labor-dense industries and service industry.

Under the Circular on Further Improving the Work of Financial Service to Small Enterprises under the Condition of Implementing Tight Monetary Policy (Circular), released by the CBRC recently, the aforementioned small enterprises also include the technologically innovative enterprises that are in the stage of fast growth and manufacturers that meet the standards of energy-consumption and environmental protection. The CBRC also stipulated that the aforementioned financial institutions must modify their interest rate risk pricing mechanism. They are eligible to independently decide the lending rates according to such factors as the risks, managing costs and the interest rates of local markets.

Besides, all banking regulatory bureaus will speed up the release of incentive policies for the development of credit-granting businesses to small enterprises. The incentive policies include the finance compensation for lending risks, exemption and deduction of business tax, the pre-tax deduction of loan loss reserves.

(Source: China Banking Regulatory Commission)

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