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China to open three consumer financing companies

(Xinhua)

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China's banking regulator Wednesday approved the establishment of the country's first three consumer financing companies, which are scheduled to be started in Shanghai, Beijing and Chengdu, according to the financial services authority in Shanghai Wednesday.

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The Bank of China, Bank of Beijing, and Bank of Chengdu are the promoters of the three pilot consumer financing companies, which are expected to offer personal loans to finance purchases of durables without taking deposits, said sources from the financial service authority of Pudong New Area, Shanghai.

China Banking Regulatory Commission issued in May 2009, a draft rule on the establishment of consumer financing firms, in an attempt to further spur the country's domestic consumption.