

Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening Financial Services for Coordinated Resumption of Work and Production Along Industrial Chains

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To thoroughly implement the decisions and arrangements of the Central Committee of the Communist Party of China and the State Council on coordinating the prevention and control of the COVID-19 pandemic with economic and social development, and to further enhance financial services for the real economy while promoting coordinated resumption of work and production across industrial chains, the following matters are hereby notified.

I. Enhancing Financial Support for Core Enterprises in Industrial Chains

(1) Banking financial institutions shall enhance financial services for core enterprises within industrial chains, increase credit support for operational turnover such as working capital loans, and grant reasonable credit lines. Support core enterprises in reducing capital occupation of upstream and downstream enterprises through appropriate means after securing financing via credit, bonds, etc., thereby assisting small and medium-sized enterprises (SMEs) throughout the industrial chain in addressing working capital shortages and other issues.

(2) Improve the efficiency of core enterprises' credit fund disbursements to upstream enterprises. Banking institutions should enhance the processing efficiency of core enterprises' credit operations, ensuring loans meeting entrusted payment requirements are directly disbursed to upstream enterprises. Bank credit funds should be used to promptly settle outstanding payments to upstream enterprises or make advance payments, thereby reducing accounts receivable arrears or capital occupation within the industrial chain and accelerating the recovery of upstream enterprises' funds.

(iii) Support core enterprises in extending payment terms to downstream enterprises. Banking institutions may enhance the cash flow recovery efficiency of core enterprises by promptly discounting commercial bills received from downstream enterprises, or by providing accounts receivable financing and receivable bill financing to core enterprises. This facilitates downstream enterprises in obtaining goods earlier and alleviates their operational pressures.

efficiency of sales fund recovery for core enterprises, enabling downstream enterprises to obtain goods earlier and alleviating their

cash flow pressures.

(iv) Strengthen credit constraints on core enterprises. Implement core enterprises' credit responsibilities by stipulating in financing contract terms their duty to make timely payments to suppliers upon receiving credit funds.

II. Optimising Financial Services for Upstream and Downstream Enterprises in Industrial Chains

(v) Enhance credit support for upstream enterprises of core enterprises. Banking institutions may utilise financing methods such as accounts receivable and bills receivable to resolve capital occupation issues for upstream enterprises operating under a goods-first, payment-later model. Alternatively, order financing based on orders secured by upstream enterprises may be provided to meet their operational working capital needs. When conducting accounts receivable financing, banking institutions shall complete pledge registration and assignment registration.

(vi) Enhance credit support for downstream enterprises of core enterprises. Banking institutions may provide credit support for downstream enterprises to procure goods and settle payments through instruments such as bankers' acceptances, domestic letters of credit, and pre-payment financing. Alternatively, where goods have already been procured, they may alleviate capital pressures arising from inventory accumulation through financing secured against inventory or warehouse receipts.

(vii) Streamline supply chain financing procedures. Provided the core enterprise assumes payment obligations or offers credit enhancement measures such as guarantees, repurchase agreements, or shortfall guarantees, banking institutions may moderately simplify customer rating and onboarding processes for supply chain financing by upstream and downstream enterprises. Such financing may be incorporated into the core enterprise's unified credit management framework, utilising its approved credit limit.

(8) Enhance financial support for relevant enterprises during the epidemic prevention period. For upstream enterprises of core enterprises during the epidemic prevention period, the proportion of accounts receivable, bills receivable

or order financing ratios for upstream enterprises of core enterprises; for downstream enterprises of core enterprises, the financing ratios for advance payments or the proportion of financing against inventory and warehouse receipts. For enterprises temporarily affected by the epidemic but with sound credit standing, the margin ratio for bankers' acceptance bills may be appropriately reduced and handling fees moderately waived.

III. Strengthening Financial Support for the Coordinated Development of Global Industrial Chains

(9) Banking institutions shall enhance financial support **for stabilising foreign trade**, increase credit allocation for foreign trade, establish "green channels" for credit approval and disbursement to high-quality foreign trade enterprises, reasonably determine branch authorisation levels, and improve efficiency.

(10) Banking institutions are encouraged to enhance their cross-border service networks and collaborate with overseas counterparts to jointly provide credit support and financing services for global industrial chains.

(11) Effectively implement policies such as temporary deferrals of principal and interest repayments for loans to small and micro enterprises. Encourage insurance institutions to further expand the coverage of short-term export credit insurance and, where risks are controllable, appropriately reduce premium rates.

IV. Enhancing the Technological Level of Financial Services for Industrial Chains

(12) Encourage banking institutions to develop supply chain business systems, providing convenient and efficient supply chain financing services through integrated online and offline channels. Encourage banking institutions to establish transaction risk control models and innovate supply chain finance models by exchanging transaction data in real time with government agencies and core enterprises' relevant systems.

(13) Subject to legal compliance and controllable risk, qualified banking institutions may explore innovative industrial chain financial products, researching and developing financial solutions for large core enterprises in sectors such as e-commerce platforms and logistics. Internet-based banks may employ big data risk control technologies to strengthen online lending support for private SMEs within industrial chains.

Encourage large and medium-sized banks and policy banks to strengthen business cooperation with such banks in accordance with market-oriented and rule-of-law principles.

with such banks.

V. Refining the Assessment, Incentive, and Risk Control Framework for Banking Financial Institutions

(14) Refine assessment incentives for supply chain financing operations. Banking institutions should implement differentiated arrangements for credit facilities supporting coordinated industrial chain resumption based on their actual circumstances, enhancing incentive mechanisms by appropriately prioritising supply chain financing in credit quotas, economic capital assessments, and internal transfer pricing. Implement due diligence exemption arrangements, expedite non-performing loan disposal, and write off losses incurred from such disposals.

(15) Strengthen risk control in industrial chain financial services. Banking institutions should establish clear eligibility criteria for core enterprises, rigorously review their financing requirements and loan purposes, and enhance effective oversight of credit fund flows. Enhance collateral management to effectively control risks associated with inventory pledge financing. Rationally determine overall cooperation limits for supply chain financing, rigorously verify the transactional background of supply chain operations, and where necessary, require core enterprises to assume responsibility for repurchasing accounts receivable or commodities. Monitor the recovery of accounts receivable through dedicated account management, agreement-based deductions, or entrusted payments.

VI. Enhancing Insurance and Guarantee Service Support

(16) Encourage insurance institutions and policy-based guarantee institutions to provide credit enhancement services for financing access by SMEs across the industrial chain, subject to controllable risk. Encourage insurance institutions to offer diverse guarantee insurance products—including collateralised and unsecured options—tailored to the risk profiles of enterprises upstream and downstream of core enterprises. Further expand the coverage of trade credit insurance to broaden credit enhancement avenues for corporate financing.

(17) Life insurance companies may, subject to controllable risk, moderately extend the term of policy-backed loans and increase loan amounts to alleviate clients' short-term funding pressures and support the resumption of operations for micro, small and medium-sized enterprises.

and micro enterprises to resume operations. In response to logistical disruptions arising from the pandemic, insurance institutions may extend the insurance periods for operational vehicles, vessels, and aircraft that were suspended during the epidemic period.

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The CBIRC will strengthen supervision and guidance, continuously promoting financial institutions to enhance coordinated financial services for the resumption of work and production across industrial chains.

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