

CBRC Standardizes the Business Cooperation between Banks and Trust Companies

Chinese version The China Banking Regulatory Commission (CBRC) released on December 22 a document governing the business cooperation between banks and trust companies, urging banks and trust companies to establish risk management systems within their responsibilities, and provide services based on clients' risk preference, risk acknowledgement and acceptability.

According to the Guidelines for the Business Cooperation between Banks and Trust Companies, banks may not provide guarantees in any form for the trust products involved in the bank-trust financing cooperation and the targets of property operation under the trust products. Trust companies shall invest in a buy-out form in banks' assets such as credit assets and note assets held by banks, and the banks may not repurchase them in any form.

Besides, the business cooperation between banks and trust companies must comply with related rules governing association transactions and conduct information disclosure as required.

(Source: China Banking Regulatory Commission)

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