

China's banking regulator introduces performance guideline for executives, employees  
China's banking regulator issued a guideline Wednesday requiring the country's commercial bank executives and employees' pay to be based on performance assessment in a move to align the pay system in the sector.

Under the guideline, at least 40 percent of bonuses for banks' top executives must be deferred for a minimum 3-year period. Banks will recover earlier payments and hold back the retained bonuses if executives cause heavy losses due to poor performance.

Assessments will cover the banks' business performance, social responsibility, and risk management such as capital adequacy, bad loans ratio and provision coverage ratio.

Bonuses to bank employees will be no higher than the level the year before if the bank does not meet any one of the above three requirements.

The guideline requires bonuses to executives to be no more than 3 times their base salary.

It also stated the base salary for bank employees should not exceed 35 percent of their total remuneration.

*Source: Xinhua*