



# Supplement to Who is Who No. 3. Chinese Commercial Banks: An NGO Guide (2023)

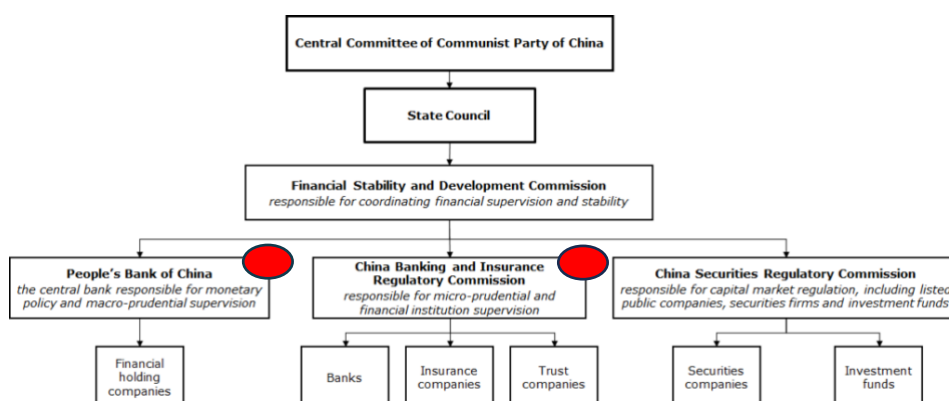
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Shortly after the publication of our NGO Guide [“Who is Who No.3 Chinese Commercial Banks”](#), substantial changes to financial regulation in China took place. This chart explains these changes and outlines the necessary shifts in advocacy strategy as well.

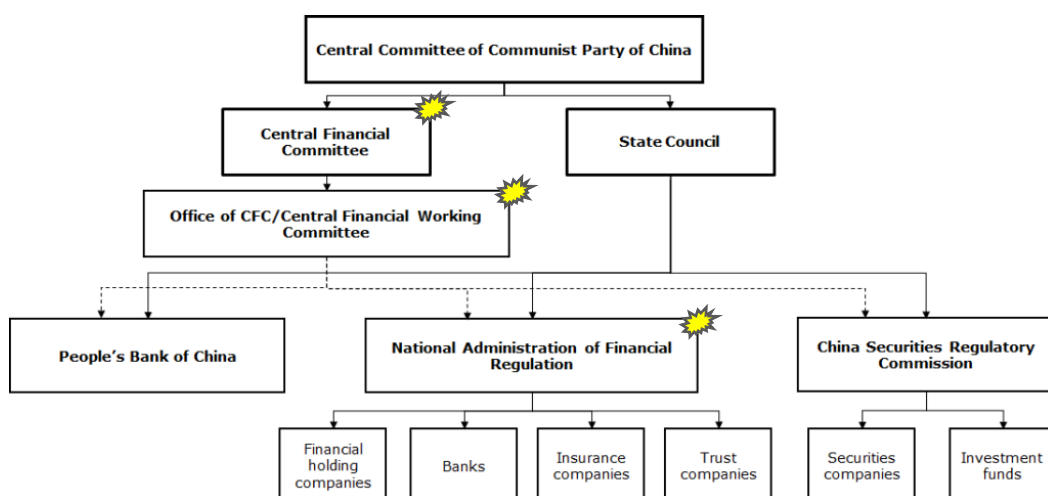
In March 2023, The Central Committee of the Communist Party of China and the State Council issued an institutional reform plan, reshaping China’s financial regulatory regime to enhance governance over the next 5-10 years.

Previously, China’s financial regulatory system consisted of four key bodies: the **People’s Bank of China (PBoC)**, the **China Banking and Insurance Regulatory Commission (CBIRC)**, the **Financial Stability and Development Commission** and the **China Securities Regulatory Commission**.

As explained in the NGO Guide, the first two were the main regulators and important for advocacy work.



In 2023, all four were rearranged into ‘one committee, one bank, one administration and one commission’<sup>1</sup>:



<sup>1</sup> Charts taken from Official Monetary and Financial Institutions Forum (OMFIF): <https://www.omfif.org/2023/09/what-chinas-reforms-mean-for-financial-regulation/>

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## What does this mean for our advocacy?

With reinstating the **Central Financial Work Commission (CFWC)**, 1998–2003, 2023–, headed by vice premier He Lifeng) as well as the **Central Financial Commission (CFC)**, headed by premier Li Qiang) under the Central Committee of the Chinese Communist Party while also dissolving the Financial Stability and Development Commission under the State Council (headed by Vice Premier Liu He), the new architecture shifts control over financial work to the Party.

The CFWC will supervise the ideological and political role of the CCP in the financial sector. In November 2023, He Lifeng was appointed as the secretary of the commission. He, member of China's powerful seven-member Politburo Standing Committee, stands for both aggressive expansion of renewables globally and new sources of financing for fossil fuels.

The People's Bank of China (PBoC) as financial supervisor and the China Banking and Insurance Regulatory Commission (CBIRC) **located in the State Council**, as well as the China Securities Regulatory Commission with the Financial Stability and Development Committee, are all disempowered by the establishment of the CFWC. The PBOC's nine regional branches and related affiliates were abolished, replaced by 31 provincial branches and five city-level branches. The PBOC's county-level branches will be abolished, with functions transferred to the preserved higher-level branches.

The Banking and Insurance Regulatory Commission (CBIRC), until now the top government agency regulating banking and finance, will in fact be dissolved altogether and absorbed into the newly established **National Financial Regulatory Authority (NFRA)**, or National Administration of Financial Regulation as named in the chart above, headed by party secretary Li Yunze), which will be a separate agency within the State Council. The four officials named as deputy directors previously served as vice chairmen of the China Banking and Insurance Regulatory Commission (CBIRC). The NFRA will be responsible for supervising the entire financial industry except the security sector. It will take over some regulatory responsibilities from the People's Bank of China (PBOC), including overseeing financial holding companies, investor protection and financial consumer protection. It will report directly to the State Council, or cabinet.

The third body, the China Securities Regulatory Commission's (CSRC), remains and its role as the capital market regulator has been strengthened, with the addition of enterprise bond issuance supervision to its responsibilities (formerly with the National Development and Reform Commission, NDRC), thereby unifying supervision of both enterprise and corporate bond issuance.

For advocacy, this means that the **People's Bank of China (PBoC)** and the **China Banking and Insurance Regulatory Commission (CBIRC)** are no longer our most important addresses. Our advocacy efforts should instead shift to the new top regulators, namely CFWC and NFRA.