

The Regulations Ant Group Has to Wrestle With

Implemented	Draft	Awaiting promulgation
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Name	Date issued	Main provisions
Lending		
Notice on Further Regulation of Banks' Online Lending Business	Feb. 19, 2021 (Effective Jan. 1, 2022)	<ol style="list-style-type: none"> 1. In any joint loan with banks, partner nonbank institution must provide at least 30% of the capital. 2. Regional banks banned from cross-regional online lending.
Interim Measures for the Management of the Online Microlending Business	Nov. 2, 2020	<ol style="list-style-type: none"> 1. Online microlending businesses cannot operate beyond region of registration without regulatory approval. 2. Money raised from bank loans or shareholders must not exceed microlender's net assets; funds obtained from bond issuance, asset-backed securitization products or other debt instruments should not exceed four times net assets. 3. Online microlenders must fund at least 30% of any joint loan with a financial institution.
Consumer Finance		
Measures for Regulatory Rating of Consumer Finance Companies	Dec. 30, 2020	<ol style="list-style-type: none"> 1. Companies face annual assessments based on factors including corporate governance, internal controls, capital and risk management. 2. Companies with low ratings face increased regulatory scrutiny. Those with the lowest rating must restructure, introduce strategic investors, be taken over, or exit.
Measures for the Management of Consumer Finance Companies	Nov. 14, 2013	Capital adequacy ratio should be no less than 10%.
Credit Reporting		
Measures for the Management of the Credit Reporting Business	Jan. 11, 2021	<ol style="list-style-type: none"> 1. License required for any company involved in data gathering to evaluate creditworthiness or awarding credit scores. 2. Credit reporting companies must limit information gathering to the minimum needed with the consent of the targeted individuals or companies. 3. Scoring methods and models of individual credit evaluation products must be made public.
Personal Information Protection Law	Oct. 21, 2020	Illegal handling of personal information could result in a fine of up to 50 million yuan or the equivalent of up to 5% of revenue, and business licenses could be revoked or suspended.

Financial Holding Companies

Decision on Implementing Access Management of Financial Holding Companies	Sept. 11, 2020	<ol style="list-style-type: none"> 1. Nonfinancial company controlling businesses across at least two sectors of the financial sector must obtain a license to operate as a financial holding company. 2. At least 50% of the combined registered capital of financial entities in the holding company must be held as actual paid registered capital with a minimum of 5 billion yuan.
Trial Measures for the Supervision and Management of Financial Holding Companies		
Regulations for the Management of Directors, Supervisors, and Senior Executives in a Financial Holding Company	March 31, 2021 (Effective May 1, 2021)	Stricter standards for top management of financial holding companies in terms of work experience, tenure, and conflict of interest.

Payment

Regulations on Nonbank Payment Institutions	Jan. 20, 2021	<ol style="list-style-type: none"> 1. Regulations define monopoly in third-party payments and outline how to tackle monopolistic behavior. 2. Nonbank payment institutions required to undergo annual comprehensive assessment. 3. Companies prevented from operating beyond licensed payments business in areas such as lending.
Measures for the Management of the Industry Protection Fund for Nonbank Payment Institutions	Oct. 13, 2020	PBOC aims to raise 1 billion yuan for the fund by taking a cut of the interest third-party platforms earn on customers' money they are required to deposit into accounts managed by the central bank.

Deposit

Notice on Regulating Personal Deposit Business Conducted by Banks Through the Internet	Jan. 15, 2021	Banks banned from marketing fixed-term deposit products on third-party online platforms.
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Antitrust

<p>Antitrust Guidelines for the Platform Economy Sector</p>	<p>Feb. 7, 2021</p>	<p>1. Specifies four types of antitrust activity: monopoly agreements, abuse of a dominant market position, concentration of operators, and abuse of administrative power to exclude or restrict competition.</p> <p>2. Requires anti-monopoly watchdogs to prevent participants in the platform economy from engaging in monopolistic practices, seeks to promote fair competition, make regulation more effective, safeguard the legal interests of smaller parties while stimulating innovation.</p>
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Source: public information compiled by Caixin
April 28, 2021