

Policy Research on Financial Support of Tianjin Free Trade Zone

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Abstract: China Tianjin free trade zone was officially established on April 21th in 2015, which is the first free trade zone in the north of China. The financial support is essential for the development of Tianjin free trade zone. This paper analyzes the key areas of financial support for Tianjin FTA and policy recommendations to provide a reference for the relevant researchers.

1. Concept of Tianjin Free Trade Zone

Free trade zone has been established in China, and the trend of economic integration in the world is inseparable. FTZ (Free Trade Zone) is defined as: refers to the part of the territory of a country, in this part of the territory of any goods transported into the import tariff and other tax purposes, is considered outside the customs territory, and from the implementation of the customs supervision system. Therefore, we often mention the establishment of Shanghai, Guangdong, Tianjin Free Trade Zone, is a kind of FTZ based on its own territory, for the world's open tax free zone. December 2014, based on the pilot experience of Shanghai Free Trade Zone, Guangdong, Tianjin, Fujian approved the establishment of free trade zone. According to the three provinces, Tianjin is the main service of Beijing Tianjin Hebei collaborative development and expansion of financing leasing industry. Tianjin after the establishment of the FTA, will speed up the transformation of government functions, and expand the areas of investment, promote open trade transformation and upgrading and deepening financial open innovation, promote the implementation of the five aspects of the Beijing Tianjin Hebei collaborative development strategy and innovation exploration. As the only North Tianjin FTA, it not only bears the responsibility of the pilot, also plays an important role in the coordinated development of Beijing Tianjin Hebei national strategy. The establishment of a free trade zone in Tianjin is an important way to promote the standardization and standardization of China's free trade zone in Tianjin. The support of the government financial institutions to increase their investment and business development, the construction of the financial system and constantly improve the financial environment, support the development of free trade zone has been formed.

2. Key Areas of Financial Support of Tianjin Free Trade Zone

2.1 Cross-border Use of RMB.

The central bank supported the FTA test area financial institutions and enterprises in accordance with the principle of macro Prudential RMB funds borrowed from abroad, in accordance with the national macroeconomic regulation and control the direction of the field, shall not be used for investment in securities, financial products, derivatives, may not be used for loans. FTA abide by the state laws and regulations through strengthen regional financial supervision and coordination, to break the geographical restrictions between the different regions, and give full play to the advantages to promote the optimal allocation of the regional division of labor and production factors. This policy can attract multinational enterprise groups in Beijing, Hebei and other regions of the north will be located in the Tianjin free trade zone. Specifically, other provinces and cities, multinational corporations need only registered in Tianjin free trade zone set up a subsidiary, which is identified as the host enterprises can carry out two-way cross-border RMB capital pool business, can realize the transnational group member companies inside and outside the two-way flow of funds. This will enable the Tianjin free trade zone to become the capital of the northern region of multinational enterprise groups, which can better support the development of Beijing, Tianjin and

other places. We want to explore the development of the financial market to support the integration of Beijing Tianjin Hebei management mode, so as to optimize the rational allocation of financial resources in Beijing Tianjin Hebei region, promote the Tianjin free trade zone has become a powerful engine of industrial transformation and upgrading of the Beijing Tianjin Hebei region. The banking financial institutions in the free trade zone can be short-term RMB funds to overseas cross-border interbank lending in accordance with the provisions.

2.2 Issuance of RMB Bonds.

We support in the free trade zone enterprises and financial institutions in accordance with the provisions of the overseas issuance of RMB bonds, to raise funds to use in the region. The foreign parent company of the enterprise in the FTA test area may issue RMB bonds in the territory as required. Support free trade zone based on full use of the unified national financial infrastructure platform to improve the RMB denominated financial assets, equity, property, shipping and other elements of the trading platform for the FTA test area and foreign investors to provide RMB denominated settlement and clearing services. Financing lease is to rent promotion, expand product sales and market share, accelerate the turnover of the capital of production enterprises, promote the development of enterprises, the prosperity of the economic zone. Bonded Zone is planning China mainland largest bonded port area in the area of financing lease industry rapid rise in a few years. The financial leasing industry will be more rapid development, the development of the Tianjin free trade zone to bring more opportunities. Within the free trade area of the test area, the negative list of domestic institutions, in accordance with each of the natural annual cross-border income and cross-border expenditures of each agency does not exceed the prescribed limits to carry out cross-border investment and financing activities. Free foreign exchange quota. In line with the conditions of the FTA test area should be in the Tianjin area banking institutions to open capital projects.

2.3 Coordinated Development for the Beijing-Tianjin-Hebei Region.

In support of Beijing, Tianjin and collaborative development, Beijing, Tianjin and Beijing, Tianjin and financial institutions in the FTA test area to carry out cross regional financial cooperation innovation and cooperation, optimize the allocation of financial resources. Actively strive for the establishment of a free trade zone in Beijing, Tianjin and collaborative development fund, Beijing, Tianjin and industrial restructuring fund. Beijing, Tianjin and financial institutions to support the free trade area of the test area to provide payment and settlement, off-site storage, credit guarantees and other services to the city of comprehensive financial services, reduce financial transaction costs across administrative areas. We can strengthen cross-border capital flow risk monitoring, on-site verification and on-site inspection, to prevent cross-border capital into the big. Improve and implement the document retention system, explore the subject of supervision, the implementation of classification management, take effective measures to prevent risks. Establish and improve the system of risk early warning, prevention and resolution system. Strengthen communication and coordination with the relevant financial regulatory authorities to establish information sharing mechanism. Guide the fund to take equity holdings, the project to choose the market, the daily management of specialization, the principle of transparency of the use of funds for investment decisions. For easy to attract social capital investment industries and areas, guide the fund with a smaller proportion of investment or not in line with the entry; Tianjin City strategic layout to attract social capital but difficult industries and fields, will actively guide the fund investment, increase the proportion of capital contribution. In addition to cooperation with professional fund management institutions to set up a sub fund, the fund will actively guide and participate in the development and reform of the national development and Reform Commission to participate in the establishment of Beijing, Tianjin and Beijing, Tianjin joint development fund and Beijing, Tianjin and industrial restructuring fund.

3. Policy Suggestions of Financial Support of Tianjin Free Trade Zone

3.1 Serve Entity Economy.

To adhere to the actual situation in Tianjin, Tianjin fully understand the needs of the real economy of the FTA, to ensure that funds invest in real leisure economy, the prevention of industrial hollow. In the process of development of Tianjin Free Trade Zone, to the FTA as a strategic fulcrum in the advanced manufacturing industry, vigorously develop the financial leasing industry and the two industry, and promote the development of banking and financial market, from the implementation of the development strategy of Tianjin port target: to make the financial services in the real economy, it is necessary to deepen the financial reform a: is the market interest rate reform to promote the FTA, two is to reduce the financial access threshold, further opening of the market: This is according to the needs of the Tianjin free trade zone characteristics, identify the location, find the starting point and the construction of FTA pilot and pilot building. Unlike other parts of the competitiveness, adhere to service trade and the real economy combined to explore with the spirit of the central financial support policy, in line with the actual development of the local. As the core of modern economy, the financial industry is shouldering the important mission, whether it is to improve people's livelihood, expanding domestic demand, or the development of strategic emerging industries, increase the key areas and weak links are needed to support financial reform and innovation support. Throughout the development process of China's financial industry, it is a process of continuous reform and innovation. Financial institutions should reform and innovation in the track, you must need to the development of the real economy as the foothold of the reform and innovation, to the microscopic economic subject of the financial demand as the fulcrum of design innovation, to test the effectiveness of the reform and innovation of the standard development and to promote the real economy, quality, benefit for. In order to steady financial interest, banking financial institutions should give more consideration to how to keep up with the production and operation of enterprises and business, followed by industrial upgrading and economic restructuring to provide innovative financial services.

3.2 Prevent Financial Risks.

The implementation of strict filing system and quota management, strengthen communication with overseas regulators, to lend funds to. To strengthen the operation of regional funds and real time monitoring and short-term speculative capital flow regulation, to prevent funds in the real economy of extracorporeal circulation and improve the offshore financial market risk warning, risk management and emergency response coordination mechanism. Sound financial legislation; formulate laws and regulations on the administration of offshore banking, offshore accounts, offshore business tax management, Off Shore Company registration, offshore financial transactions as the main content, the formation of a series of incentive and regulating the development of offshore financial services legal system. Control price difference is the common feature of the RMB exchange rate and interest rate formation mechanism in Tianjin Free Trade Zone offshore market. In the long term, we should strengthen the study of offshore RMB products and timely launch of RMB foreign exchange derivatives to promote the RMB exchange rate and interest rate mechanism as early as possible in the formation of offshore financial markets in Tianjin. Finance lease, offshore financial innovation and other financial innovation for the FTA investors raised more financial products, to help them achieve the most satisfactory efficiency gains on the development of free trade zone is significant. Financial innovation in the promotion of economic development and financial development of the FTA, but also makes the financial risks continue to increase. At the same time, to strengthen the supervision and management of the FTA flow abnormal cross-border capital, especially should strengthen the on-site inspection to check the FTA financial institutions, major industries, enterprises and off-site supervision and management, and strive to the free trade area of the financial institutions and enterprises to create a safe environment for trade and investment.

3.3 Support Technology Finance.

Science and technology finance is the category of industrial finance, mainly refers to the integration of science and technology industry and financial industry. Economic development depends on the promotion of science and technology, and the development of science and technology industry needs a strong financial boost. As the high-tech enterprises are usually high risk industries, while financing demand is relatively large, therefore, the integration of the technology industry and the financial industry is more scientific and technological enterprises to seek financing process. Science and technology is the first productive force. Economic development depends on scientific and technological progress, while the development of science and technology cannot be separated from the strong boost financial. Therefore, to achieve the integration of science and technology industry and the financial industry, to develop science and technology finance is an important measure of Tianjin free trade zone to create a regional platform for scientific and technological innovation. At the same time, according to the characteristics of the Beijing Tianjin Hebei regional development and demand, facing the FTA financial integration technology and development issues in the establishment of the FTA research center to carry out targeted pilot policy, promote the comprehensive development of science and technology finance. Selection of banking financial institutions to meet the conditions, provide the combination of equity and debt financing for the innovation enterprise, venture capital institutions to achieve cooperation and support for science and technology project investment loan linkage. Give full play to the role of policy banks in the business scope to increase support for enterprise innovation activities. Leading banks and other financial institutions to innovate credit products and financial services, improve the flexibility and convenience of credit support innovation, private banks to support small and micro enterprise innovation needs of financial products innovation.

4. Conclusion

Tianjin free trade zone's development cannot be separated from the support of the financial sector. The central bank issued the financial support guidance of Tianjin Free Trade Zone and gave a number of characteristic guiding measures to promote the development of Tianjin free trade zone. These policies provide a good policy environment for the development of Tianjin free trade zone.

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