

Chinese central bank boss vows to further fintech crackdown

October 8 2021



Yi Gang's comments come after a year in which China has cracked down on a range of industries including technology and property.

China will strengthen supervision of the online payments industry and continue its anti-monopoly crackdown, the governor of the central bank

said, indicating Beijing will press ahead with a regulatory crackdown on the country's technology giants.

Authorities have for about a year targeted a range of homegrown tech behemoths, including [e-commerce](#) titan Alibaba and food delivery giant Meituan, for alleged monopolistic practices and aggressive harvesting of consumer data.

The drive is part of a wider policy by the government to tighten its grip on the world's number two economy, including targeting private education, property and casinos.

"We will continue to cooperate with anti-monopoly authorities to curb monopolies and actively deal with algorithm discrimination and other new forms of anti-competition behaviours," People's Bank of China governor Yi Gang said Thursday in a keynote speech at a Bank for International Settlements conference on regulating the sector.

He added that the central bank will strengthen supervision of the payments industry and ask all financial services companies to be licensed.

"Top platform companies in China have acquired massive data from users," said Yi, adding that their "winner-takes-all nature ... could lead to market monopoly and compromise innovation efficiency".

Chinese regulators in September ordered sweeping changes to the country's biggest payment app Alipay, as the ruling Communist Party attempts to rein in the "unruly growth" of tech giants.

Alipay—with more than one billion users in China and other Asian nations—was told to spin off its profitable micro loan business, the Financial Times reported.

A record-breaking \$37 billion IPO by its [parent company](#), Ant Financial, was scrapped at the last minute by regulators in November, after founder Jack Ma criticised officials for stifling innovation. Ant Financial is the fintech arm of Alibaba.

Ma's business empire has been targeted in a wider crackdown on tech firms aimed at breaking monopolies and strengthening data security, which has wiped billions off companies' valuations.

© 2021 AFP

Citation: Chinese central bank boss vows to further fintech crackdown (2021, October 8)
retrieved 10 April 2024 from
<https://techxplore.com/news/2021-10-chinese-central-bank-boss-vows.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--