

SMEs Credit Management System Construction

Jianxin Qiu
Northeast Forestry University
Haerbin, China

Abstract: Small and medium-size enterprise (SMEs) play an irreplaceable role in the expansion of employment, active market, increasing revenue, social stability, and forming a rational structure of national economy. They promote the development of economic, construct the main structure of market economy and promote social stability. Currently the biggest obstacles of bounding the development of SMEs is difficult financing. The fundamental reason of financing difficulties is that SMEs in China lack of credit. Without sound credit management reminder, it is difficult to obtain the credit side of the trust.

Keywords: SMEs; Credit; Management System

1. The Domestic SMEs Credit Status

SMEs in China's economic and social development plays an important role that is obvious. However, a number of individual SMEs has fraud behaviors and the resulting withdrawal of funds for delinquent accounts to evade bank debt, taxes and other malicious evasion problem to a certain extent affected the image of SMEs credit. It has become a bottleneck restricting the development of SMEs. One pair of small and medium enterprises with the environment survey shows that the credit environment "general" accounted for 44%, that "poor" and accounted for 35%, only "18%" of the enterprise that the credit environment is "good". It reflects our SMEs serious lack of corporate credit. So the establishment of SMEs credit system is the real need. It put forward by practice, and it is the urgent need to address the major issues.

In 2001, the State Economic and Trade Commission and other 10 ministries jointly issued "on the strengthening of SMEs credit management a number of views". It proposed the establishment of credit management system, improvement accounting system and stringent quality management. At the same time, it required to improve the social credit system, to draw the relevant credit service agency practice normative systems, to create a favorable agency fair competitive market environment It plays in improving SMEs credit agency's role, draw enterprise credit evaluation system and intermediary organizations, carry on business and the credit rating agencies, implement the credit projects. In the existing credit system, explore the establishment of joint intersectoral credit information collection. In these marks China as the focus of SMEs, including per-

sonal credit system, including a social credit system construction has started.

2. The Role of the Establishment of SMEs Credit System

First, strengthen the SMEs business credit management. It is helpful to improve the ability of SMEs to credit financing and market competitiveness. SMEs credit loss first show in commercial credit, the highlights for the enterprise increasing the amount of defaulted loans. Because companies are not disloyal, so that the normal concept of credit destruction, inter-enterprise credit, prepaid difficult, overdue accounts receivable growing incidence. It is understood that in Europe and America to obtain credit in the commercial credit companies accounted for 90%, which is the main financing channels for SMEs. Contrary to the situation in China of the credit transactions accounted for only about 20% of all transactions, cash transactions reached 80%. The backward credit way that the competitiveness of Chinese enterprises greatly weakened. In a normal market economy conditions, commercial credit contraction, the consequences of the invalidity of the entire business community to a commercial operation even collapse.

Second, it is helpful to build a scientific SMEs credit risk prevention mechanism. For a long time, defaulted on the account has always been troubled by the problem of arrears of SME development. It is a major chronic disease. Over the years, companies and government economic management departments take a lot of measures. But corporate receivables remains high, the issue after replying the debt run into debt has been not fundamentally resolved. Traced with our SMEs lacks a science internal credit risk management system.

Third, it is helpful to build based and body of the economy and the social credit system. Credit status of a society depends not only on the level of external credit services and legal environment, but also depend on the economic entity's own credit constraints and risk prevention. SMEs in the economy as the basic cell and body of society, its own credit management situation determines the overall macroeconomic system operating characteristics and conditions. Currently commercial credit, bank credit, and many other problems are related to corporate credit management situation. They have a direct relationship. Especially between enterprises, the vicious inter-bank debt arrears, not only from the macro and strengthening legal and policy measures, but also from the microscopic to establish and improve the internal credit management system.

3. The Proposals for Building SMEs Credit Management System

3.1. SMEs Should Consciously Establish a Good Credit Awareness

First, they must establish a good credit awareness. According to the law to carry out production and business and financing activities, and consciously accept the financial, industrial and commercial tax departments of supervision and management. Second, prepare accounts according to the law. To ensure the accounting information is true and complete, and resolutely abandon the "extra accounts" and illegal handling accounting matters and other fraudulent acts. Third, strengthen financial management. In accordance with the international financial system establish internal financial management to implement the budget management, to maximize the amount of funds used. SMEs should guarantee repayment schedule shown on bank loans, establish a good credit image in the financial institutions. SMEs also needs strengthening internal management system and accountability system, carefully examining business dealings solvency and creditworthiness of the unit to minimize inter-enterprise arrears.

3.2. Accelerate the Transformation of Government Functions and the Reform of Property Rights

Speed up the transformation of government functions and the reform of property rights, truly do government and enterprise separating, clear property rights relationship. Establish corporate property rights and establish the owner of the enterprise and banking supervision of

capital constraint mechanism. It will be transformed into state-owned property rights of small and medium enterprises market. And it will make credit transactions credit grantors have a clear property right border, It can independently assume corresponding responsibility.

3.3. Establish and Perfect the Legal System of SMEs Credit Management

First, government should learn experience from Western countries in credit management legislation, combined with China's actual conditions, to establish and improve China's SMEs credit management laws and regulations. Specify "SMEs Credit Management Law", improve the "Company Law", "Bankruptcy Law", "contract law" and other relevant provisions of the law. And on these basis, draw out a specific corporate credit management regulations and implementing rules. Second, establish SMEs credit foundation, support the development of small and medium commercial banks and credit assessment credit industry to strictly regulate the activities of corporate credit assessment institutions and organizational behavior. Third, the local governments and their departments at all levels of SME credit management eliminate local and departmental protectionism. Management according to market principles of economic management, administration according to law, the department of justice and safeguard the dignity of the law, strict law enforcement, impartial, to crack down on corporate various escape the debt behavior.

3.4. Consummate the Social Supervision Mechanism of SMEs Credit Management

Financial, fiscal, industrial and commercial tax departments need strengthen coordination and support SMEs credit management system, in particular the People's Bank credit registration and consulting system. Also they need support social credit service agency information collection and aggregation of SMEs, full use of computer and its network system. Since the establishment of the letter, publishing, information sharing, credit monitoring system, achieve the SMEs credit information inquiry, communication and shared social.

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