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MOFCOM
China Development Bank

Work Notice
On Supporting the High Quality and Cooperative Building of “One Belt One Road”
By Unleashing the Role of Development Finance
In Response to the COVID-19 Outbreak

Departments/agencies in charge of commerce and business in all provinces, autonomous regions, municipalities directly under the central government, municipalities with quasi provincial statuses, as well as in Xinjiang Production & Construction Corp., and all state owned enterprises directly under the central government,

Currently the prevention and control work of the COVID-19 outbreak (“outbreak “ for short) is at the most critical stage. At the same time that are hands are on deck working on the prevention and control of the outbreak, the comprehensive planning and advancing of various types of work relating to the high quality and cooperative building of the “One Belt One Road” have to be carried out with great efforts in order to realize the year’s development objectives. In order to do a good job in implementing the decisions and plans of the Central Party Committee and the State Council, to work hard to reduce the outbreak’s impact to its lowest level, and to better serve the high quality and cooperative building of “One Belt and One Road” and domestic economic and social development overall, [we] are issuing the following notice regarding issues in using development finance in supporting the high quality and cooperative building of “One Belt and One Road”.

1. Build a joint work mechanism

MOFCOM, China Development Bank (CDB), provincial departments in charge of commerce and business, and all SOEs directly under the central government shall, during the outbreak, develop a joint work mechanism of [using] development finance to support the high quality and cooperative building of “One Belt and One Road”, to strengthen horizontal collaboration and vertical integration, and to actively use development financing to support the high quality and cooperative “One Belt and One Road” overseas projects and firms affected by the outbreak. MOFCOM shall take charge in coordinating the collection and aggregation of information on overseas projects and firms impacted by the outbreak, and pass relevant financing needs information on to CDB. CDB shall, under the precondition that [firms and projects are] legally compliant and their risks controllable, independently select, based on market principles, overseas projects and firms that meet [selection] criteria to provide support, and report such support work’s progress to MOFCOM. Provincial level
departments in charge of business and commerce, as well as the headquarters of SOES directly under the central government shall urge and supervise firms in their respective regions or corporations to report truthfully on the outbreak's impact and their needs for financing, research and decide on a list of overseas projects and firms impacted by the outbreak in their respective regions and corporations and submit the lists to MOFCOM promptly, urge and supervise the firms to use the funds in strict accordance with the [stated] purposes of the loans, do a good job in the subsequent follow up assessment of the implementation of these policies, and report the assessment result to MOFCOM.

2. Enhance efforts in providing precision support

To those qualified projects and project firms ("firms" for short below) that can benefit the high quality and cooperative building of "One Belt and One Road", CDB shall, in accordance with the principles of scientific planning, precise implantation of targeted measures, market based operation and controllable risks, provide the following financing support:

1) **Actively reduce financing costs**: CDB shall unleash the role of the "One Belt and One Road" cooperative building special loans and enhance financing support to the firms impacted by the outbreak. Financing costs for foreign currency denominated loans to firms impacted by the outbreak shall drop up to 30 base points from the original financing rates, and overseas loans denominated in RMB shall enjoy appropriate rate reductions based on specific firm situations.

2) **Mitigate firms’ liquidity challenges**: A special foreign currency liquidity loan worth of 5 billion USD will be provided for firms to get back to work and production. Special liquidity fund support will be provided to outbreak impacted SOE groups directly under the central government, as well as the major subsidiaries and financing platforms controlled by these SOES.

3) **Help the firms that are more heavily impacted by the outbreak to go through this difficult time**: for firms that are more heavily impacted by the outbreak and have difficulty making scheduled payments, [as long as] they meet the precondition of having controllable risks, support measures such as extending out payment dates, payments in installments, loan extensions, interests only further loans, and refinancing can be taken, and reasonable payment grace periods can be set up to help the firms to promptly get back to production and operation.

4) **Accelerate credit and loan disbursement progress**: Set up a “green channel” for the foreign currency and overseas RMB business for firms impacted by the outbreak, respond promptly to firms’ requests, simplify the processes, accelerate approval and disbursement, and ensure the timely arrival of loan funds to firms.
5) **Provide diverse financing support.** Unleash the platform advantages of overseas multilateral and bilateral financial cooperation mechanisms, enhance the efforts in connecting with overseas financial institutions, and push to provide flexible and diverse local and foreign currency financing services to firms impacted by the outbreak through transfer financing and other credit formats.

3. **Do a solid job in information reporting and submission**

   Provincial departments in charge of business and commerce and SOEs directly under the central government shall, based on comprehensive tracking, dynamic monitoring and scientific evaluation of the outbreak situations, systematically comb through the overseas projects and firms impacted by the outbreak in their respective regions and corporations, with a focus on understanding their financial needs and requests to reduce the outbreak’s impact to the minimum. Provincial departments in charge of business and commerce and SOEs directly under the central government shall, in accordance with the principles of truthfulness, objectiveness, comprehensiveness and accuracy, organize and do a good job in information reporting and submission. Provincial departments in charge of business and commerce and the headquarters of SOEs directly under the central government shall affix their own official stamps on the report forms (see attachment), scan these forms and turn them into PDF files, then send them to yiqingfangkong@mofcom.gov.cn.

4. **Ensure the effectiveness of the use of the funds**

   All entities shall further elevate their political standings, unify their thoughts around the spirits of Secretary Xi’s important speeches and the decisions and plans of the Central Party Committee and the State Council, and truly unleash the active role of development financing in supporting the high quality and cooperative building of “One Belt and One Road”. Provincial departments in charge of business and commerce and headquarters of SOEs directly under the central government shall urge and supervise firms receiving the support in their respective regions and corporations to ensure the effective use of the funds, and require these firms to file regular reports regarding these funds’ use and the effects they produce.

If [you] encounter problems in pushing forward this work, [you] can contact MOFCOM or CDB.

**Contacts:**

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Attachment: Information submission form for XX Province/XX SOE under the central government

MOFCOM Stamp       CDB Stamp

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