

Notice of the General Office of the State Council on Strengthening the Governance of the Problem of Difficult Payment Recovery for Small and Medium-Sized Enterprises

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To the people's governments of all provinces, autonomous regions, and municipalities directly under the Central Government, and to all ministries and commissions of the State Council and all institutions directly under the State Council:

For the purpose of governing, in accordance with the law, the problem of difficult payment recovery for small and medium-sized enterprises (SMEs) and facilitating the smooth circulation of the economy, and with the consent of the State Council, the relevant matters are hereby notified as follows:

I. Improving the Rules for Payment of Accounts Receivable in Various Industries

1. Clarifying reasonable payment terms by industry. The competent departments of each industry shall embed the requirement of timely payment of accounts receivable into industry administration and strengthen implementation. They shall formulate and improve the administrative provisions on settlement and payment within their respective industries, and specify such key elements as the starting point for calculating payment terms, the methods and procedures of payment, the standards and time limits for inspection and acceptance of goods and services (or settlement upon completion of construction projects), and the maximum payment period (hereinafter collectively referred to as the "Four Key Elements of Payment"). While respecting prevailing transaction practices, they shall guide large enterprises in their respective industries, as well as their wholly-owned or controlling subsidiaries (hereinafter collectively referred to as "large enterprises"), to limit the maximum payment period for SMEs to 60 days. They shall formulate, improve, and promote the use of model contract texts to implement the Four Key Elements of Payment. They shall refine, by industry, the standards for identifying dishonest acts of defaulting on payments owed to enterprises, and specify disciplinary measures. They shall formulate supporting provisions for the Regulations on Guaranteeing Payment for Small and Medium-Sized Enterprises. Where the payment method is not specified in a contract, government organs, public institutions, and large enterprises shall all pay accounts owed to SMEs in cash and shall not substitute commercial bills of exchange or electronic vouchers for accounts receivable (hereinafter referred to as "electronic vouchers") or otherwise pay in lieu of cash.

2. Promoting leading enterprises to take the lead in fulfilling the "60-day cash payment commitment." They shall issue initiatives for timely payment by large enterprises in each industry, guiding large enterprises, especially leading enterprises, to take the lead in publishing and fulfilling a commitment to pay accounts owed to SMEs in cash within 60 days from the date of delivery of goods, works, or services. They shall urge large enterprises to keep accounts strictly in accordance with the accounting standards for business enterprises, and to rectify such practices as failing to sign contracts, failing to issue invoices, and failing to confirm creditor-debtor relationships. They shall guide relevant associations in carrying out self-disciplinary management of timely payment and formulating self-disciplinary norms for timely payment.

II. Strengthening Supervision over the Payment Behavior of Large Enterprises

3. Carrying out admonition and rectification. They shall establish and improve a monitoring mechanism for accounts payable of large enterprises, with key attention to large enterprises with large amounts of accounts payable and abundant cash-type assets. For large enterprises that deliberately extend payment terms, the competent industry departments or regulatory authorities, together with the People's Bank of China, the State Administration for Market Regulation, and other departments, shall carry out joint admonition and urge rectification, with the relevant local people's governments cooperating in urging rectification. For enterprises that refuse to rectify after admonition, joint punitive measures shall be implemented in accordance with the law and regulations; for those determined to be seriously dishonest, they shall be publicized on the "Credit China" website and subject to dishonesty disciplinary measures in accordance with the law and regulations.

4. Strictly enforcing law enforcement against unfair competition. They shall accelerate the refinement of the law-enforcement guidelines under Article 15 of the Anti-Unfair Competition Law, handle relevant complaints and reports in accordance with the law, and, upon verification, impose penalties in accordance with the law and regulations on large enterprises for such egregious conduct as abusing their dominant position to deliberately extend payment terms by obscuring the starting point for calculating payment terms, delaying inspection and acceptance of goods and services (or settlement upon completion of construction projects), or using commercial bills of exchange or electronic vouchers to indirectly extend the payment period, and shall publicly expose typical cases to create deterrence.

5. Improving the requirements for disclosure of accounts payable information. They shall refine and improve the information disclosure rules for listed companies, expressly requiring listed companies whose accounts payable reach a certain scale to disclose such matters as their main payment methods, average payment terms, and the issuance of commercial bills of exchange and electronic vouchers. They shall require enterprises that issue corporate bonds or non-financial enterprise debt financing instruments in the exchange market or the interbank market to strengthen the disclosure of accounts payable information. They shall guide listed companies and bond-issuing enterprises with relatively long payment terms and a relatively high proportion of non-cash payments to gradually reduce payment terms, increase the proportion of cash payments, and make timely payments. They shall accelerate the improvement of the rules on public disclosure of overdue accounts payable and other information in the annual reports of large enterprises, and intensify regulatory and enforcement efforts.

6. Giving full play to the exemplary role of central enterprises and state-owned enterprises in timely payment. Central enterprises shall take the lead in specifying the Four Key Elements of Payment in contracts, take the lead in implementing the various requirements concerning electronic voucher business and the administration of electronic voucher service platforms, pay SMEs entirely in cash, and maintain a reasonable proportion of cash payments to large enterprises. Any breach resulting in arrears shall be identified and settled one by one, and accountability shall be pursued seriously in accordance with the law and regulations. Where a large enterprise undertakes a central enterprise project and then subcontracts its implementation, the central enterprise shall require in the contract that the general contractor make timely payment to subcontractors and maintain the same proportion of cash payments. The requirement of timely payment of accounts receivable shall be embedded in the compliance management system of central enterprises. The

payment status of accounts payable and the issuance of commercial bills of exchange and electronic vouchers by central enterprises and their subsidiaries at all levels shall be incorporated into the supervision system, and penetrative supervision shall be implemented through the treasury system. Enterprises under the supervision of the state-owned assets supervision and administration departments in each locality shall implement the above requirements by reference.

III. Regulating the Administration of Non-Cash Payment Instruments

7. Regulating the administration of electronic voucher business. The maximum payment period of electronic vouchers shall be reduced to 6 months. Electronic voucher service platforms shall not newly issue electronic vouchers with a payment period exceeding 6 months, and commercial banks and commercial factoring companies shall not provide financing for electronic vouchers with a payment period exceeding 6 months. Large enterprises that overuse commercial bills of exchange and electronic vouchers shall be monitored and urged to reduce the scale of commercial bills of exchange and electronic voucher business. Large enterprises shall be required not to compel, directly or indirectly, SMEs to obtain financing for accounts receivable from affiliated commercial factoring companies.

8. Strictly supervising electronic voucher service platforms. Electronic voucher service platforms shall strictly implement the various compliance requirements such as filing administration, voucher terms, and explicit disclosure of fees, and shall fully connect their business data to the Shanghai Commercial Paper Exchange, which shall monitor, across institutions and on a full-caliber basis, the issuance of commercial bills of exchange and electronic vouchers by large enterprises. Where commercial bills of exchange or electronic vouchers of large enterprises are overdue for payment, disclosure shall be made by the Shanghai Commercial Paper Exchange and the electronic voucher service platforms respectively. Electronic voucher service platforms shall stop providing services for the new issuance of electronic vouchers to enterprises whose payments are overdue.

IV. Strengthening the Efficiency of Fund Transmission and Financing Support

9. Facilitating the fund transmission chain. Government procurement projects shall adopt cash payment in full, and timely payment shall be incorporated into the scope of supervision of government procurement projects. Supervision over the entire process of funds for government-invested projects, from allocation to payment, shall be strengthened; the project owners shall give priority to cash payment and promote timely payment by the general contractor of the project to subcontractors at a cash proportion no lower than the same proportion. For existing government-invested projects that have been completed but not yet settled and paid, the final accounts of completion shall be completed and project payments made as soon as possible, and the general contractor shall be promoted to make payment to subcontractors as soon as possible, thereby driving the payment of wages to rural migrant workers. Supervision over the implementation of the Regulations on the Administration of State-Owned Assets of Administrative and Public Institutions shall be strengthened, and the time-limit requirement from passing completion acceptance to the final accounts of completion of construction projects shall be strictly implemented. Public institutions shall strictly implement the statutory payment-term requirements for purchasing goods, works, and services from SMEs. For regions and industries where prominent problems of arrears are discovered through the national complaint platform for defaulting on payments owed to SMEs, key supervision and rectification within a time limit shall be carried out, and, where necessary, notifications shall be issued by region and by industry.

10. Increasing supporting financing support. For large enterprises that have achieved notable results in reducing the term and scale of accounts payable, financing supply shall be strengthened and support provided in loans, bond issuance, and other aspects. Commercial banks shall be guided, on the premise of controllable risks, to support large enterprises in replacing accounts payable through loans and bond financing and making timely cash payments to upstream and downstream SMEs. The use of the evaluation results of the specialized, refined, distinctive, and innovative (SRDI) development of SMEs for financing

credit enhancement shall be explored, and financial institutions shall be guided to step up support for high-quality SMEs.

All regions and relevant departments shall strengthen work coordination, reinforce top-to-bottom linkage, consolidate responsibilities, and continue to advance, adhere to the parallel emphasis on guidance and correction and on law enforcement and accountability, promote an overall improvement in the problem of difficult payment recovery for SMEs, and foster a sound ecosystem of integrated development and mutual benefit among large, medium-sized, and small enterprises. The special task force for clearing arrears owed to enterprises shall strengthen overall coordination, guidance, supervision, and follow-up evaluation, and promote the implementation of all tasks. Important matters shall be reported for instructions in accordance with procedures in a timely manner.

General Office of the State Council

September 3, 2026

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