

Risk Management and Response Measures of Bank Note Business under the Perspective of Note Law

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Abstract:

In the stage of carrying out bank bill business, strengthening the risk management of bill business is the most important thing, and it is also a key link to promote the stable operation of the bank. Therefore, it is necessary for banks to strictly follow the relevant requirements of the bill law, and constantly improve the risk management mode of the bill business, so as to help strengthen the level of the bank's bill business and enhance the competitiveness of the bank's bill business. Therefore, the paper combined with the bank note business risk to put forward the corresponding countermeasures, in order to throw a brick to attract jade.

Keywords:

Bill Law, Bank Bill, Business Risk, Countermeasures

1. Introduction

In China's social and economic activities, bills are indispensable payment and financing tools, and the compliance and risk management of bills are of vital significance and value for maintaining the order of the financial market and safeguarding the security of transactions, which is of great significance to the promotion of the stable development and operation of social and economic activities. Against the background of the continuous improvement of China's "Bills Law of the People's Republic of China", "Measures for Payment and Settlement" and other relevant laws and regulations, bank bills business has ushered in opportunities for development, and at the same time, it is also facing stricter regulatory requirements. In practice, the bank bill business faces many risks, such as bill fraud, false transactions and operational risks, the existence of these problems will not only have an impact on the safety of the bank's assets, but also to a certain extent will affect the stable operation of the financial market. Therefore, it is necessary to trigger from the perspective of the bill law to vigorously promote the risk management of the bank's bill business, and to take effective control measures against the risk factors, so as to enhance the level of development of the bank, and promote the compliance of the bank's bill business.

2. The Important Position and Role of the Bill Business in the Financial Market Research

Bills business in the financial market has an extremely important position and role, but also to promote the financial market to achieve stable and orderly development of the key, so we need to strengthen the attention to the development of the bills business, is committed to improving the development mode of the bills business, so as to improve the level of development of the financial market. Specifically, the important position and role of the note business in the financial market is reflected in the following two aspects:

First, to promote the circulation of funds and financing facilitation. In the process of capital circulation and financing, the note business has an extremely important role and significance, through the note business to help promote the circulation of funds and improve the financing convenience. Essentially, bills are a convenient payment and settlement tool with high circulation and convenience. By issuing and transferring bills in the process of development, enterprises can complete the receipt and payment of funds at a faster speed, which effectively improves the efficiency of the use of funds. Especially in the financing development of small and medium-sized enterprises, note financing is easier and less costly, so this business can also solve the short-term capital needs for small and medium-sized enterprises. Therefore, the note business can help promote the circulation of funds and financing convenience, and become an important part of enterprise development and operation.

Second, promote the innovative development of the financial market. In promoting the innovative development of the financial market, the note business can play a pivotal role, especially in the financial market continues to deepen the background of the continuous development of technological progress, the note market also shows a trend of continuous updating and improvement. The popularisation and wide application of electronic bills have effectively promoted the enhancement of the efficiency and security of the bill business, and to a certain extent broadened the participating subjects and transaction varieties of the bill market, under the background of which the bill market has achieved a prosperous development, which has also led to the continuous innovation of related financial products and services. Such as note wealth management, note asset securitisation and other aspects of financial products have emerged in the market, which also provides investors with more diversified investment choices in the market, to a certain extent, to broaden the financing channels of enterprises, but also promote the continuous innovation and development of the financial market.

3. Importance of Risk Management of Bank Note Business

In the development and operation of the bank, the note business is an important part, and the risk management of note business not only helps to promote the sound development and operation of the bank, but also helps to strengthen the competitiveness of the bank's note business. Specifically, the importance of risk management of bank note business is reflected in the following two points:

Firstly, it protects the sound operation of bank note business. In the stage of the bank's bill business, which involves more complex content, such as the receipt and payment of funds and financing activities, etc., if the risk management is relatively negligent, it is easy to occur various types of risk events, such as bill fraud, fraudulent transactions, and operational risks, etc., which may not only have an impact on the

development of the bank, and may even lead to the loss of the bank's funds, resulting in the bank's capital. These problems may not only have an impact on the development of the bank, but may even lead to the loss of the bank's funds, resulting in damage to the bank's social reputation. Therefore, banks need to pay more attention to the risk management of bill business, and commit to building a perfect risk management model in the banking system, so as to accurately identify the risks in the bill business and make effective responses to ensure the sound operation of the bank's bill business, and promote the bank's high-quality development.

Second, enhance the competitiveness of the bank's note business. In the development of the bank, the risk management of the note business is one of the most important things, which has a key significance and impact on improving the competitiveness of the bank's note business. In practice, the bank's risk management level and market competitiveness has a very close link between the good risk management ability of the note business helps to reduce the cost of the bank's note business, but also can scientifically control the risk, to achieve the scientific and efficient use of the bank's funds, and then to achieve the effect of promoting the level of development of the bank and the quality of the effect of the enhancement. Moreover, the excellent image of risk management also helps to promote the bank to establish a good brand image, thus enhancing the trust of the customer group for the bank, attracting more customers to choose the bank for bill services, thus helping to strengthen the competitiveness of the bank's bill business.

4. The Study of Current Risks in Bank Note Business

In the development of the financial market, bank notes can serve as an important bridge connecting the supply and demand of funds, and have a positive significance and impact on the promotion of financing activities in an orderly manner, so the stable and healthy development of the note business also helps to maintain a good market order and promote social and economic prosperity. However, in the context of the continuous expansion and deepening of the bank's business, the development of its note business is also facing many risks and challenges, how to accurately identify the risks and make effective prevention and control has become an important task, but also to ensure that the bank to achieve a stable development of the key link. Specifically, the current bank note business risks are reflected in the following aspects:

4.1. Risks of the drawer and accepting bank

The maker and acceptor risk is an important risk in the bank note business, due to the existence of this risk also has an impact on the quality of the bank's note business. In practice, the drawer and accepting bank are the core participants in the note business, so their credit status is also critical to the security of the note and the ability to deal with the drawer's risk is reflected in the deterioration of its own financial situation or the drawer intentionally does not fulfil the payment obligations. Such as: an enterprise in the process of development in order to ease their own financial pressures, through the issuance of notes without real trade background for financing, once this situation occurs, it may be due to the deterioration of business conditions and lead to its inability to pay the notes on time, resulting in the accepting bank is forced to advance and suffered a certain degree of loss. Acceptance bank risk is mainly embodied in excessive acceptance or financial deterioration, part of the bank in the development process will focus on the business scale, so it is possible to carry out the note business stage beyond their own operating capacity to carry out excessive

acceptance of the note, resulting in the current note is facing difficulties in payment, once the bank has deteriorated in its own financial condition, it can not pay the due note in a timely manner, clearly Will have an impact on the interests of the bearer.

4.2. False Transactions and Arbitrage Behaviour

False transactions and cashing behaviour is an important risk faced by the bank note business, the normal development and operation of the bank will cause a certain degree of impact, false transactions and cashing means is a fraudulent means of the note business, a part of the unscrupulous elements will be forged through the transaction contract, fictitious trade background and other means to apply to the bank for a promissory note, and then on the basis of the use of note discounting or transfer in the form of capital encashment. The transfer of funds in the form of cash, which will obviously bring chaos in the order of economic market development, but also to a certain extent increase the credit risk of the bank, to the bank's note business development brings great potential danger.

4.3. Validity and compliance risks

In the bank to carry out the note business stage faces the validity and compliance risk, this risk is due to a variety of factors in the note, the circulation of the link is also more complex, at the same time and due to the bank in the note audit process may produce a certain degree of negligence, so it will lead to a part of the forgery, alteration of notes and other aspects of fraud, these forged notes once not detected in time will be Into circulation, which will obviously bring a certain degree of loss to the bearer and the accepting bank [1]. Moreover, the compliance risk of the note business is also more significant, part of the bank in the process of handling notes due to the lack of compliance awareness, resulting in its business does not strictly follow the relevant legal requirements, such as irregularities in the discounting of notes without real trade background, over the scope of operation of the note business, etc., these behaviours not only violates the majesty of the national laws and regulations, but also to a certain extent, the bank's reputation is damaged. These behaviours not only violate the majesty of national laws and regulations, but also damage the reputation of the bank to a certain extent and bring risks to the bank's note business.

4.4. Intertwined operation, market and policy risks

Bank note business is faced with a certain degree of operational risk, market risk and policy risk, etc., these risks interact with each other and intertwine with each other, thus making the bank note business face more complex risk factors. Such as operational risk is a human error or irregular operation during the bill business processing, such as audit procedures are not strict, poor margin management and other aspects of the problem may lead to operational risk; market risk is due to the fluctuations in market interest rates, liquidity changes and other factors to the development of the impact of the bill, such as interest rates will lead to a rise in the discount rate of the bill, which will obviously lead to the cost of financing Floating [2]. Policy risk is due to changes in national policies and regulations for the bill business, especially in the national financial regulatory policies continue to improve the background, the need for bank bill business continuity to adapt to this change, otherwise the bank bill business will face greater compliance risk.

5. Countermeasures for the Risk of Bank Bill Business Under the Perspective of Bill Law

In the development and operation of the bank, the note business is an important part of it, and the prevention and control of the risk of note business is of great significance and influence to promote the stable development of the bank, which can also maintain financial stability and promote economic development. Therefore, it is necessary to take a series of optimisation measures based on the perspective of the bill law to do a good job in the bill business risk prevention and control, so as to protect the quality of the bank's bill business. Specifically, bank note business risk prevention and control can be from the following perspectives:

5.1. Improve the credit assessment system and strengthen the foundation of risk management

Vigorously improving the credit assessment system is an important measure, and it is also the basis for strengthening the risk management of bank notes, which helps to improve the quality of the development of the bank and helps to strengthen the competitiveness of the bank. In this process, banks are required to establish a scientific and reasonable credit assessment system in strict accordance with the "Bills Law of the People's Republic of China" and related regulations, so as to effectively carry out a comprehensive and objective credit assessment of the credit status of the drawer and acceptor through the credit assessment system, and to discover the risks faced in the bills business in a timely manner through credit assessment [3]. For example: banks in the construction of credit risk assessment system stage can be appropriate to learn from some of the international advanced credit rating methods, while combining the actual situation of the development of the domestic financial market and the development of the actual situation of China's financial market in line with the credit assessment standards, and then based on the credit assessment standards for the credit status assessment of the drawer and the acceptor, the timely discovery of the risks that exist in the note business, to ensure that the note business and ensure the orderly conduct of the bill business.

5.2. Strictly examine the background of the transaction to ensure the authenticity of the business

According to the provisions of the "Bill Law of the People's Republic of China", it can be understood that the issuance, acquisition and transfer of bills need to have a real transaction relationship and debt-credit relationship [4]. Therefore, the bank in the process of carrying out the bill business needs to strictly follow the requirements of this provision, and for the authenticity of the transaction background to carry out a detailed review and understanding, so as to protect the authenticity of the transaction. For example: in the bank to carry out the note business during the relevant personnel can be required to provide a complete transaction contract, invoices and other aspects of the supporting materials, through these materials to the background of the transaction between the two sides to review the review needs to be carefully check the authenticity of the materials submitted by the two sides, if found to be doubtful need to carry out further in-depth investigations, in the case of necessity, the bank can also require the relative to provide If necessary, the bank can also ask the counterparty to provide more abundant supporting materials, so as to ensure the authenticity of the business, prevent the emergence of false transactions and cashing behaviour, and safeguard the security of the bank's note business.

5.3. Optimise the management of guarantee measures to improve risk prevention and control ability

In the process of promoting the risk prevention and control of the bank's bill business, vigorously optimising the guarantee measures is an important means, which also helps to improve the risk prevention and control ability of the bank's bill business and promote the orderly conduct of the bill business. In this process, it is necessary to strictly follow China's "Bill Law of the People's Republic of China", "Guarantee Law of the People's Republic of China" and other relevant laws and regulations to carry out scientific and rationalised control of guarantee measures. For example, banks need to optimise the selection and management of collaterals in the business promotion stage, to ensure that the collaterals provided by customers have the corresponding value and liquidity [5]. At the same time, the bank needs to combine the credit status assessment of the customer to require the customer to provide a guarantor, and at the same time do a good job of reviewing the credit status of the guarantor to ensure that the guarantor has sufficient ability to pay for the debt. In the implementation stage of the guarantee measures, the bank also needs to strictly comply with the relevant legal provisions to ensure the effectiveness and legality of the guarantee measures, which further strengthens the risk prevention and control effect of the note business.

5.4. Responding to Comprehensive Risk Challenges and Building a Comprehensive Risk Management System

The development of bank note business faces multiple risks, such as operational risk, market risk and policy risk, etc. Multiple risk challenges bring impact to the development of bank note business, so in this process, banks need to vigorously respond to the comprehensive risk challenges, and build a comprehensive risk management measures. In this process, banks need to strictly follow the "Law of the People's Republic of China on Commercial Banks" and "Law of the People's Republic of China on Banking Supervision and Administration" to build a perfect risk management system and internal control mechanism, so as to realise the scientific control within the bank and guarantee the compliance of the bank's note business. At the same time, the bank needs to set up a special department to strengthen the dynamic supervision of market dynamics and policies and regulations, and once market changes or policy adjustments are found, effective responses need to be made in a timely manner, so as to prevent the possible risks of the note business and enhance the quality and level of the bank's development.

6. Conclusions

In summary, in the development and operation of the bank, the note business is one of the important types of business, and good risk management of note business can guarantee the stable operation of the bank and improve the quality and level of the bank's development. In this process, banks need to strictly follow the relevant requirements of the bill law, and vigorously promote the risk management and response of the bill business, so as to improve the development quality of the bank, unless the bank continues to strengthen the core competitiveness of the market. Therefore, in the thesis, the risk management and response measures of the bank's note business are proposed under the perspective of the note law, which are used for common discussion and exchange.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

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