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**An Imminent Challenge Firms Are Facing**  
**企業當前的一項重要任務**

by

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# **An Imminent Challenge Firms Are Facing**

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At present, firms are facing a realistic, important and imminent challenge, which is how to manage its liquidity risk and perform due diligence well.

Five years after the global financial crisis, which has been one of the most damaging in the past several decades, the international economic atmosphere is evolving, posing new challenges. In general, the reflation and quantitative easing (QE) policies in the industrial economies lead to large, volatile capital inflows and outflows across borders. It is expected that the QE policies of the US may be phased out from the fourth quarter this year through 2014, and by 2015 at the latest, while the US economy may recover slowly with ups and downs. The first phase may start from the third or fourth quarter this year, and the Fed may start tapering off the QE. During the second phase, all QE policies may have to quit if the labor market improves or inflation becomes intolerable (either the unemployment rate drops below 6.5%, or inflation expectations rise above 2.5%). We already witnessed 10-year UST yield soared 100 basis points in only two months from 1.62% in early May (Figure 1). A record high of 2.73% was even observed in July. This led to the end of the 30-year bull cycle (Figure 2), and the overnight interest rate might rise from 0.25% to 0.75%. There will be a QE reversal, i.e., the Fed will be selling the \$3 trillion government bonds. This would happen from mid-2014 through the second quarter of 2015. During

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this third phase, QE reversal will change significantly the current situation that \$1.9 trillion extra liquidity is held by the banking system. The phase four, if there is, would see the first rate hike, followed by overall rises of the US interest rates. Though the prices in futures markets have already reflected the first rate hike expected in May 2015, the global market could still be highly sensitive to the implications or potential shocks that the above policy changes might have, because people in markets still vividly remember the 1994 bond market massacre (Figure 3) and the escalation of Fed funds rate from April 2003 to September 2006 (Figure 4).

**Figure 1: 10-year UST yield soared 100 basis points in only two months.**



**Figure 2: The end of the 30-year bull cycle**



**Figure 3: When policy changed, a sharp drop of 10-year UST yield from 8% to around 6% was witnessed starting from the end of 1994 to June 1995.**



**Figure 4: Fed funds rate climbed from 1% to 5.25% in about two years from the end of 2003 to 2006.**



In such circumstances, the smaller “eco-system” of China also faces new challenges and situations. Although the Chinese economy has great achievements, there are also some drawbacks. It is more than wise to promote growth model changes in all industries now. However, the lower growth rate will lead to unemployment,

decline of firm profits, workers' income and exhaustion of cash flow, which are all realistic challenges. The interactions between domestic and international issues require firms to put more emphasis on its liquidity risk management. In doing so, some suggestions are given to firms to help them operate more prudently.

From the perspective of the firm's overall strategy, two jobs need to be done well and promptly. For a firm, an effective liquidity risk management strategy and its implementation include the following aspects:

First, a concrete and clear risk management strategy should be in place. The duty of care and fiduciary duty are the core responsibilities of the board of directors, and these should be in line with the specifics of the institution. For implementation, there should be two approaches: one is top-down and the other is bottom-up. A board of directors is responsible for making decisions on setting up strategies, principles, objectives, including short, medium and long-term ones (over five years); setting up the bottom line of firm-wide liquidity risk control factors; and making investment in the infrastructure needed. The above decision-making is the practical implementation of the duty of care by the board of directors. This decision-making process should take advice from, but cannot be dominated by, the management. For the management of financial institutions, on the one hand, they should fully implement the decisions of the board on liquidity risk management; on the other hand, the management should have clear-cut responsibilities, coherent coordination and close cooperation. Historical evidence shows that it is an effective solution to have a COO (chief operating officer) to be responsible for the management of daily and intraday liquidity and related risk management issues. It is because the responsibilities of a COO run across the front, middle and back offices of the whole business line, and the COO is familiar with the process and procedures. He also has the power needed to perform his responsibilities, e.g., having access to the data necessary to feed the risk dashboard and the analytics obtained at the operational level. Certainly, for general firms, as they do not have COOs, it is the responsibility of the CFO (chief financial officer) to manage the daily

and intraday positions and risks. It has to be stressed that both financial institutions and non-financial institutions should have the management handle the liquidity risk management issues, and they should coherently coordinate and closely cooperate with each other and sort out the problems arising from business lines, sectors, the inside and the outside of the group.

In China, most financial institutions and big firms have boards of supervisors in place. For good corporate governance, a board of supervisors should perform the duty of care and fiduciary duty commissioned by shareholders. A board of supervisors should supervise and monitor the performance of the management in performing their duties, communicate with them on their findings and seek or give advice.

The liquidity crunch occurred in June is a hint for firms to strengthen their liquidity management. Unfortunately, although the liquidity crunch is still not far away from us, most firms and financial institutions have not adopted these requirements.

For all institutions that build assets and liabilities in the Chinese market, a very important and imminent job is to improve its performance in due diligence. There are six key weaknesses observed in performing due diligence.

1. Quite many firms do not perform due diligence at all and lack information on underlying transactions.

2. There is some due diligence done, but there is a lack of quality job. Some are copied from customer provided information or web pages, and worse, reporting lacks timeliness, which causes the risk to be out of sight of the management.

3. There is due diligence done and the quality is acceptable, but the lack of sufficient coverage of major risks causes the management's decision-making to be less functional, especially when huge unencumbered collateral position changes, including margin calls or event crises, occur.

4. There is a lack of due diligence about the impact of technical or material default upon the firm/group. In addition, the lack of ability to compile classified risk ranking reports hinders the management from building up effective, predictive positions.

5. There is a lack of capacity for building up a platform to capture timely and high-quality data and consolidate the data across the group. Even if those data are available, they are not analyzed promptly; hence, the management lost the ability to make right decisions.

6. There is somebody sending alarms, but nobody listens and no actions are taken at the top.

Externally, we should pay more attention to the following five broad issues:

1. The regulation requirements should be further clarified and should foster common standards or best market practices such as bank payment obligation (BPO), central clearing platform of OTC derivatives (CCP), foreign currency netting position clearing and settlement (CLS), large payment, collateral management and margin call practice.

2. There is a lack of a central data platform that can trace each payment and provide analytical suggestions on intraday position status to specific firms.

3. There is a lack of integration in managing or monitoring intraday positions across accounts and currencies due to poor data interoperability along the transaction life-cycle analysis. Credit risk, market risk and operational risk will all affect liquidity directly.

4. There is a lack of unified standard for monitoring, controlling and reporting liquidity risk both domestically and internationally.

5. On nationwide basis, we need to set up clear objectives and phases of our focused tasks based on systemic analysis and arrangements, together with contingency plans, including emergent liquidity supply under extreme situations.

Secondly, on tactical and technical aspects, I think,

1. The firm should master customer advices on important payments and liquidity flows, be armed with good practices and the ability to build predictive positions and run collateral management well.

2. The firm should pay great attention to the level of coverage of concentration risks and the ability to measure the total risk exposure of counterparties, to track and analyze the impact on the position across currencies and accounts to meet the firm's payments and settlement obligations on a timely basis.

3. The firm should also pay more attention to investment in both hardware and software to analyze current and historical data, and more importantly, qualified people in IT, statistics and management sectors.

4. The firm should improve the corporate governance, overcome internal discordancy and combine the data analysis techniques, management skills, controls and adjustments together effectively.

Although the Chinese economy faces more challenges and an unfavorable external environment, it could succeed if China deepens its reform and improves its productivity through innovation, so as to raise the income and promote its domestic consumption. To achieve this, it will require cool-headedness, wisdom, and courage.



# 企業當前的一項重要任務

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當前，企業面臨一個十分普遍又十分現實的重要任務：做好當前的流動性風險管控，做好盡職調查工作。

大家知道，在經歷了幾十年來最嚴重的全球金融和經濟危機五年之後，國際大氣候發生了新的變化，孕育了嶄新的挑戰。總體上來看，西方的全面反通縮和量化寬鬆刺激經濟復蘇的政策取向使得全球市場出現了風險偏好的大輪回和跨境資本的大進大出，美國大量的量化寬鬆政策很可能隨着美國經濟在震盪中的日漸復蘇，而在今年第四季度或明年，至遲 2015 年將進行分階段大幅調整。2013 年第三季度至遲到第四季度，第一階段是開始縮減量化寬鬆操作，第二階段是停止量化寬鬆的一切措施（當失業率降到 6.5% – 7%，通脹上升到 2% – 2.5%）。2013 年美國十年期政府債券收益率出現了很大的波動，從 5 月初 1.62%，迅速爬升了 100 個基點左右（圖一），到達現在的水平。7 月份還出現了 2.73% 的高點。這導致了美國政府債券三十年大牛市的結束（圖二），美聯儲的利率水準將從 0.25% 隔夜拆借躍升三倍到 0.75%。

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圖一：美國十年期政府債券收益率：兩個月內跳升 100 個基點



圖二：美國十年期政府債券收益率：三十年大牛市的結束



第三個階段是美聯儲會在短短兩年中將三萬億債出售來做“抽水”（緊縮市場流動性）。這會在 2014 年中到 2015 年第三季度前發生。在第三階段，實施量化寬鬆的反向操作，會使銀行手中持有的 1.9 萬億美元超額流動性發生很多的變化。如果再分出第四階段，則美元利率發生全面提升。全世界市場對此帶來的深刻影響和可能發生的震盪高度敏感。儘管遠期市場的價格已經反映了 2015 年 5 月的第一次利率跳升，全球市場仍將對美聯儲以上政策變化帶來的影響或衝擊高

度敏感，因為人們還清晰地記得當初 1994 年的債券市場暴跌（圖三）以及 2003 年 4 月到 2006 年 9 月聯邦基金利率的飆升（圖四）。

圖三：美國十年期國債收益率：1994 年-1995 年



圖四：美國聯邦基金利率：2003 年 4 月-2006 年 9 月



在這個大氣候影響下，我們自己的“小環境”也面臨新的情況和挑戰。我們的發展穩中有進，但也穩中有憂。各行各業深度進行發展模式的轉變是天大的好事，但低速增長帶來的就業問題、企業效益滑坡和收入減少、現金流急劇萎縮都是現實的挑戰。內外交互影響客觀上要求我們對流動性的把控需要要有更高的水平

和更嚴的要求。對中央和地方如何拓展國際視野、未雨綢繆不作贅述，我主要就企業如何審慎經營，科學管理，守住底線談一些體會，供大家參考。

首先，從企業總體戰略上看，至少有兩方面的工作必須迅速加強。從企業內部來說，一個有效的流動性風險管理戰略必須建立起來並貫徹落實好，這包括以下幾個方面的內容：

一是制定具體和明晰的風險管控戰略，董事會的看守責任和託管責任是不二法門，且應切合這家機構的實際情況。在貫徹落實上，一是要有自上而下、自下而上兩套實施規劃。首先是董事會要在戰略制定、工作原則方面，設立近期、中期和遠期（五年以上）目標；並設定全行流動性風險控制要素的底線，以及相應基礎實施建設投入等重大問題上作出正確的決策。這種決策是董事們盡職看管的具體體現，當然整個過程中可以也應該吸收管理層參與，但不能被其左右。對金融機構的高管執行層來說，一是執行董事會有關流動性風險管理的決定，二是在日常的流動性管理中，應當分工明確，責任落實，分工配合。歷史經驗證明，由首席運行官（COO）來把控每日適時頭寸管理和相關風險管理是比較有效的，因為首席運行官的職責橫跨前、中、後臺，他熟悉流程且有令行禁止的權力。當然，在企業裡，流動性管理的每日適時頭寸管控和風險（成本）的把握，可以由企業裡的財務總監來做，因為我們的企業一般不設首席運行官。這裡要強調的是，根據當前內外的情況，不論是金融和非金融企業都應當把這項工作拿到高管層面上來把控，而且必須互相配合，有效協調，及時解決條線、板塊和集團內外的問題。

在中國，絕大多數金融機構和大型企業還設有監事會。從良好公司治理出發，監事會應當認認真真地履行股東大會受託職責和看管的責任，監督高管層在日常管理上盡職履職的情況，及時與他們就發現的問題溝通，予以提示。

對流動性的管控，本應在這次 6 月份突顯的風險衝擊中幡然改進，遺憾的是，在這場風波過去之後，市場流動性風險依然不可小覷的情況下，絕大多數企業和金融機構並未很好地從內控治理的角度作出相應於上述戰略性轉變的安排。

對一切在中國市場上進行資產建設和負債經營的機構，當前另一項十分重要和迫切的任務就是做好盡職調查。在日常工作中，我們可以觀察到盡職調查有六個方面的不足表現：

一是不少企業根本沒有做應有的盡職調查和相應的獨立分析報告。

二是即使有一些盡職調查但根本沒有質量，拿一些客戶提供的材料照抄一遍，或從網媒摘錄部分，草草了事，而盡調分析報告又姍姍來遲，使管理者在風險面前雙目失明。

三是有盡職調查，質量上也還說得過去，但對重點風險缺乏全面覆蓋，使管理者決策偏差，尤其是當大額抵質押頭寸交易出現風險變動（如需要大量抵質押品斬倉、補倉和頭寸敞口處置時）。

四是對拆借等交易對手技術/實質性違約的可能性以及由此對本企業（集團）所帶來的影響沒有做好盡職調查和場景分析報告，對各種可能出現的風險沒有量化的分析，使管理層決策失去了準確性、重點性和預測性。

五是不具備能力搭建技術平臺，獲取適時高質數據資訊，尤其是不可能做到數據集合並表。即使有了這些數據，也無法做到當日適時，無法做到有效分析報告的及時性，使管理層從根本上失去了正確的決斷力。

六是即使有人負責任地拉響了警報，也沒有人理會，這是管理層的麻木不仁和嚴重失職。

戰略層面上企業外部的建設十分重要，根據我們的國情，流動性風險管理的改善大致有以下五大具體內涵：

一是缺乏很明確的監管要求或存在多頭、多元的監管要求跟上所有的創新步伐，未能形成現代行業對產品、標準與市場的規範，如交易管理與處置抵質押品電子化處理和類似 ISO 標準化的採用，也缺乏對場外衍生品的中央結算和清算的服務與管控。

二是在市場主體增多，交互往來增大時，一定需要一個中央支付的跟蹤和分析提醒的平臺（tracker 和 adviser），對當天即時頭寸的收付清算提供分析、提示的功能。

三是對跨市場、跨帳戶、多貨幣交易，我們缺乏交易全過程的數據充分共享，以適時捕捉信用風險、市場風險和操作風險的信號。眾所周知，這些風險都會不同程度地演繹為流動性的突發壓力。

四是在監測、控制和統計報告流動性風險情況方面缺乏先進的標準。

五是在全國的經濟社會發展重點目標方面，應當給予市場清晰完整的目標資訊，而財稅金融政策，包括流動性管理的方針政策均應服從這些重點目標，同時，為實現這些重點目標，體現必要的靈活性。

在技術和操作層面上，對流動性風險管理應當提出四大要求：

一是金融機構一定要建設良好的客戶提付款通知資訊制度、業務大額頭寸支付請領制度，現金和抵質押品良好的聯動管理制度，沒有這個基礎制度和實踐建設的，必須立即整改。

二是金融機構必須建立起一個對流動性風險大額集中度的管理覆蓋，以使自己有能力度量把握風險集中的總量和速度，並可以跟蹤分析跨帳戶、跨貨幣的影響，確保金融機構隨時可以應對重大風險影響。

三是企業應當十分注意在硬體和軟體上的投資和維護，最重要的是確保有足夠能力的 IT 人員、分析人員和管理人員在線適時運轉。要適時調整不合格的人員，避免帶病運行和上崗。

四是在操作層面上改進公司治理，克服內部一切離散的傾向，旗幟鮮明地反對各自為政，逐利而不顧及資金成本和獲取的可能性的做法，把數據、分析和和管理控制有機有效結合起來，不搞幾張皮。

儘管中國面臨着國內外諸多影響和多重挑戰，但是只要統觀內外，堅持科學發展，辦法總比困難多。而搞活實體經濟，通過改革創新，提高全要素生產率，從而達到收入增長、消費拉動的正確途徑，是當前的關鍵任務。

問題是除了要有前瞻性、準確性，還得有膽略加快推進。我們要在群策群力的基礎上，以更大智慧和勇氣推動我們的改革開放，為今後的健康發展打下良好基礎。對企業而言，面對今年複雜多變的國內外經濟形勢和資產價格較大幅度變化以及流動性帶來的挑戰，大家需要提高風險管控能力，增強對形勢分析把控的準確性、全面性和前瞻性，尤其要做好盡職調查工作，在這個基礎上，講求我們的創新發展。