



Comprehensively Strengthen Financial Supervision and Effectively Forestall and Defuse Financial Risks: Book Review on Research on the Formation and Prevention of Systemic Risks in the Banking Industry from the Perspective of Platform Finance

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Author's contribution

The sole author designed, analyzed, interpreted and prepared the manuscript.

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ABSTRACT

The book *Research on the Formation and Prevention of Systemic Risks in the Banking Industry from the Perspective of Platform Finance* is an in-depth discussion of the formation mechanism, characteristics, transmission paths and prevention of systemic risks in the banking industry from the perspective of platform finance. By combining theory and practice, this book not only provides readers with a comprehensive understanding of systemic risks in the banking

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industry, but also provides practical strategies and suggestions for banking industry risk management and supervision.

Keywords: Platform finance; systemic risks; banking industry; formation and prevention.

1. INTRODUCTION

Financial security is an important component of national security that preventing and resolving financial risks, especially preventing systemic financial risks, is the fundamental task of financial work. Strengthening financial risk prevention and control capabilities and improving the quality and efficiency of financial supervision, we urgently need to work hard to establish a coordinated regulatory mechanism. This requires the formation of a more efficient financial risk management structure and a thorough orderly banking risk control system [1]. However, in recent years, platform finance with its "barbaric growth" trend of strong growth, no rules and weak supervision has greatly increased the possibility of systemic risks in the banking industry while meeting the short-term funding needs of social sectors [2]. Therefore, how to promote the healthy development of platform finance while effectively curbing the occurrence of systemic risks in the banking industry has become a focus of academic attention. The book *Research on the Formation and Prevention of Systemic Risks in the Banking Industry from the Perspective of Platform Finance*, written by young scholar Zhu Chen and published by China Social Sciences Press, starts from the definition of platform finance and complex network theory and observes systemic risk in the banking industry from the perspective of platform finance. Relying on the interaction between platform finance and the banking industry, she analyzes the triggering mechanism of systemic risk in the banking industry and then designs a systemic risk supervision mechanism in the banking industry based on the risk identification process and risk early warning system [3].

Research on the Formation and Prevention of Systemic Risks in the Banking Industry from the Perspective of Platform Finance combines the complex network characteristics of the banking industry in reality and brings the two relatively independent financial markets of platform finance and banking industry into the same complex network framework for analysis, breaking through the traditional systemic risk research paradigm, filling the shortcomings of traditional economic methods in analyzing the internal structure of the

system, providing a new way to study the topological structure characteristics of bank networks and broadening the perspective of systemic risk research [4]. In addition, the book reveals how the rapid development of platform finance has led to fierce homogeneous competition, intensified macroeconomic shocks, excessive correlation, and adjustments to investors' psychological expectations, and clarified how liquidity spirals, devilish loops, debt vortex and other contagion channels of capital and information. It also have clarified the rules of generation, evolution and contagion of systemic risks in the banking industry [5].

Compared with previous research, the main features and innovations of this work are reflected in the following aspects [6]. First, based on complex network theory, the book proposes the concept of systemic risk in the banking industry from the perspective of platform finance, as well as the generation, evolution and contagion mechanisms [7]. It is an important supplement to the theory of platform finance and banking industry systemic risk. Second, the book reveals the characteristics of systemic risks in the banking industry from the perspective of platform finance, develops a systemic risk early warning model covering platform finance and provides sufficient theoretical basis for the prevention and control of systemic risks in the banking industry. Third, this book proposes an Internet-based macro-prudential supervision plan for the banking industry, establishes and improves a legal and regulatory system for platform finance based on the stable and healthy development of the banking industry, and enriches relevant theoretical research on regulatory economics [8]. Fourth, the book reconstructs the macro-prudential risk management system from the perspective of digital finance, limits the degree and scope of risk damage to the banking system and has practical application value in weakening the risk spillover effects of platform finance and the banking industry [9]. Fifth, the comprehensive use of financial technology means to determine potential risks and provide policy recommendations for improving the financial supervision system is of great significance to the practice of risk management and control in

platform finance and the banking industry. Finally, financial security is an important part of national security. This book realizes the complementary advantages of technology and finance in the field of risk management and makes certain contributions to maintaining sustained and healthy economic development [10].

2. CONCLUSION

In general, *Research on the Formation and Prevention of Systemic Risks in the Banking Industry from the Perspective of Platform Finance* is an important area that provides an in-depth study of systemic risks. It has rich content, unique perspectives and practical value. Although it may be more professional and complicated for general readers, this book is undoubtedly a rare reference for financial practitioners and researchers. It is hoped that more researchers and scholars can delve into this important topic in the future and provide more wisdom and suggestions for the stability and sustainable development of the financial industry.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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