

## China's Internet Finance: A Critical Review

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### Abstract

China's Internet finance industry developed explosively from 2012 to 2015. Undersupply of financial services, progress of information technology and accommodative regulations for Internet finance jointly explain the explosive development. Regulation tightened after the small-scale P2P lending crisis in 2015. The present paper discusses the role of information technology and mega data analysis in financial services, with particular attention paid to some popular misconceptions. The paper predicts that large financial institutions and information technology companies will play a dominant role in the future development of Internet finance.

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