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This paper examines whether and how ownership structure affects the trade credit policies in small- and medium-sized firms (SMEs) using a sample obtained from a survey of Chinese enterprises. Specifically, we examine how ownership concentration affects SMEs' use of trade credit through influencing the availability of bank credit. We also examine whether the ownership of the ultimate controller influences the effect of ownership structure on trade credit. The results show that there is a significant negative relation between bank credit and trade credit when most of the firms' shares are controlled by a dominant shareholder, indicating that concentrated ownership may lower firms' ability to access bank credit, and SMEs use trade credit as a substitute for unavailable bank credit. The results also show that the effect of ownership concentration on the aforementioned relation is significant in private and state-controlled SMEs but not in foreign-controlled SMEs. Overall, our results suggest that ownership structure plays an important role in determining SMEs' trade credit policies.