

PBOC, MOFCOM, and SAFE Issued the *Notice on Further Optimizing Payment Services in Commercial Sectors to Facilitate Payments*

On April 16, the People's Bank of China (PBOC), the Ministry of Commerce (MOFCOM), and the State Administration of Foreign Exchange (SAFE) jointly issued the *Notice on Further Optimizing Payment Services in Commercial Sectors to Facilitate Payments* ("Notice") to implement the decisions and arrangements of the CPC Central Committee and the State Council as well as the directives under the *Opinions of the General Office of the State Council on Further Optimizing Payment Services to Facilitate Payments*.

Aiming to better meet the various payment service needs of the elderly, overseas visitors, and other groups in commercial sector transactions, the *Notice* requires the local commerce authorities to strengthen coordination with the PBOC branches in identifying the key venues and key merchants in commercial sectors, creating an inclusive environment accepting diverse payment methods, improving the support for cash payment, expanding the applications of mobile payment, strengthening the demonstrating and leading role of international consumption hubs, and enhancing publicity and promotion. The goal is to improve China's multi-layered and diverse payment service system to provide better payment services in commercial sectors.

Moving forward, the PBOC, MOFCOM, and SAFE will introduce detailed measures that target both the supply and demand of financial institutions and merchants. The goal is to promote the use of various payment methods in commercial sectors to provide higher-quality, more efficient, and more convenient payment services and address the payment service needs of such groups as the elderly and overseas visitors.

People's Bank of China, Ministry of Commerce, and State Administration of Foreign Exchange

Notice on Further Optimizing Payment Services in Commercial Sectors to Facilitate Payments

To the People's Bank of China (PBOC) Shanghai Head Office and PBOC branches in all provinces, autonomous regions, municipalities directly under the Central Government, and cities with independent planning status; the commerce authorities in all provinces, autonomous regions, municipalities directly under the Central Government, cities with independent planning status, and the Xinjiang Production and Construction Corps; and the branches of the State Administration of Foreign Exchange (SAFE) in all provinces, autonomous regions, municipalities directly under the Central Government, and cities with independent planning status:

To implement the decisions and arrangements of the CPC Central Committee and the State Council as well as the directives of the *Opinions of the General Office of the State Council on Further Optimizing Payment Services to Facilitate Payments* (Guobanfa [2024] No. 10), better meet the various payment service needs of the elderly, overseas visitors, and other groups in commercial sector transactions, and ensure consumers have the right to choose their payment options, this *Notice* is hereby issued regarding the following matters on improving the payment services in commercial sectors.

I. Focusing on Key Commercial Venues to Build an Inclusive Environment Accepting Diverse Payment Methods

1. Local authorities will work with PBOC branches to finalize the lists of key venues and key merchants including large shopping districts, pedestrian zones, shopping malls, department stores, chain supermarkets and convenience stores, restaurants, departure tax refund shops, and duty-free stores; ensure that the key venues and key merchants are equipped with the necessary software and hardware equipment to accept mobile payment, domestic and overseas bank cards, and cash; and ensure consumers have the freedom to choose their payment methods and tools. The ability of key merchants within national model pedestrian zones and model smart shopping districts to accept domestic and overseas bank cards is to be promoted, and various localities are encouraged to create conditions for replicating the practice. The acceptance of domestic and overseas bank cards by merchants will be a factor in the quality service assessments of the various pilot and demonstration programs.
2. PBOC branches will urge banking institutions and non-bank payment institutions to strengthen services by accelerating the hardware and software upgrade and the deployment of acceptance equipment for domestic and overseas bank cards in accordance with the lists of key venues and key merchants, and develop an overall plan on the adoption of contactless payment options. We will urge

banking institutions to upgrade the automated teller machines (ATMs) at key venues to support cash withdrawals with domestic and overseas bank cards. PBOC branches and local commerce authorities will conduct joint oversight and guidance on the acceptance of bank cards by merchants and promote the steady improvement of the bank card acceptance environment.

II. Improving the environment for cash use in daily consumption scenarios

1. Local commerce authorities will work with PBOC branches to guide entities in retail, catering, and accommodation industries, especially those closely associated with people's lives, such as convenience stores, markets, grocery stores, snack bars, the hairdresser's, and pharmacies, to get cash ready in order to meet the needs of consumers for cash payment and better facilitate cash use in daily consumption scenarios. While advancing the development of "quarter-hour convenient living circles" in cities, we will guide relevant entities to make public commitments to accepting cash and will see that signs are posted as required to indicate cash acceptance.
2. PBOC branches will guide banking institutions to provide door-to-door services for relevant entities and help them get cash ready. "Green passages" for breaking banknotes into smaller denominations will be established for such groups as elderly people and overseas visitors. Work will continue to rectify the rejections of cash RMB payments.

III. Stepping up innovation to improve mobile payment applications

We will push banking institutions, non-bank payment institutions, and clearing institutions to improve their mobile payment services, to optimize identity verification, to open hotlines for such groups as elderly people and overseas visitors, and to make promotional brochures, videos, or other items, thereby making the use of mobile payment as well as the registration process more user-friendly and convenient. We will encourage e-commerce platforms to fully take into account the needs of overseas visitors, to enhance collaboration with banking institutions, non-bank payment institutions, and clearing institutions, to offer more internationalized services, and to provide multiple language and payment options, thereby improving the payment experience of users in shopping online.

IV. Stressing the exemplary role of international consumption center cities and optimizing their payment environment

We will support the international consumption center cities placing a high premium on optimizing the payment environment for overseas visitors and better playing their exemplary role. We will incorporate payment convenience as one of the indicators assessing the cultivation and development of international consumption center cities, establish an oversight mechanism, and accelerate the creation of a payment environment that supports multiple payment options, multiple application scenarios, and the conversion of multiple foreign currencies.

We will give priority to setting a number of shopping districts as examples for offering convenient payment services to overseas visitors, working to see that overseas bank cards are accepted by essentially all the major merchants. Moreover, we will take active measures to set up payment service desks at ports of entry and other key venues for overseas visitors to hand out different types of brochures published in multiple languages, provide currency exchange services, and help download mobile payment apps. We will enhance support for payment services for overseas exhibitors and audience at major events, such as the China International Import Expo, the China Import and Export Fair, and the China International Fair for Trade in Services. Other cities are encouraged to follow the examples to improve their payment services for overseas visitors.

V. Enhancing publicity efforts to improve public knowledge of payment services

PBOC branches, SAFE branches, and local commerce authorities will guide financial institutions and merchants to clearly post signs indicating acceptance of domestic and overseas bank cards at POS terminals or ATMs, cash payment acceptance, and currency exchange, and to enhance personnel training as well. Banking institutions are encouraged to set up payment service information desks in large shopping districts and similar venues. We will make use of various channels, whether online or offline, to regularly organize activities aimed at promoting knowledge of payment services, asserting the legal tender status of the RMB, and fighting currency counterfeiting. These measures will continuously improve the knowledge of elderly people, overseas visitors, and other groups about payment services.

PBOC branches, local commerce authorities, and SAFE branches should attach great importance to the tasks. We should take a broader perspective, stress collaboration as well as division of responsibilities, map out work plans, and specify timetables, roadmaps, and concrete measures within their respective jurisdictions. Guiding both financial institutions and merchants to do their part, we should push ahead with the application of multiple methods of payment in the commercial sector and provide higher quality, more efficient, and more convenient payment services, thereby effectively meeting the needs of elderly people, overseas visitors, and other groups.

People's Bank of China

Ministry of Commerce

State Administration of Foreign Exchange

April 15, 2024