

**Yinfa No. 139 [2022], Notice of the People's Bank of China on  
Supporting Cross-Border RMB Settlement for New Business Forms  
of Foreign Trade**

PBC Shanghai Head Office, branches, operations offices, and central sub-branches in capital cities of provinces (autonomous regions) and sub-provincial cities; China Development Bank, all policy banks and state-owned commercial banks, Postal Savings Bank of China, and all joint-stock commercial banks; China UnionPay, Cross-Border Interbank Payment System Co., Ltd. and NetsUnion Clearing Corporation:

To implement the *Opinions of the General Office of the State Council on Accelerating the Development of New Business Forms and Models of Foreign Trade* (Guobanfa [2021] No. 24), enable cross-border RMB settlement to better serve the real economy and facilitate trade and investment, and support the development of new business forms of foreign trade, this *Notice* is hereby released regarding the following related issues.

1. On the basis of “know your customer”, “know your business”, and “due diligence”, domestic banks may partner with non-banking payment institutions that have lawfully obtained internet payment business permit (hereinafter referred to as payment institutions) and qualified clearing institutions to provide market trading entities and individuals with cross-border RMB settlement services under the current account.

In this *Notice*, “market trading entities” refers to the operators of new business forms of foreign trade such as cross-border e-commerce, procurement trade, overseas warehouses, and integrated foreign trade services, as well as the consumers who purchase relevant goods or services.

2. A domestic bank that partners with payment institutions should possess at least three years of experience in conducting cross-border RMB settlement business, meet the requirements for a provisions bank, be capable of verifying the authenticity and lawfulness of the payment institutions' cross-border RMB settlement transactions, and

have the capabilities in conducting anti-money laundering, counter-terrorist financing, and anti-tax evasion, which is adaptive to the characteristics of the cross-border RMB settlement business of payment institutions.

3. A payment institution that provides the cross-border RMB settlement services specified in this *Notice* should:
  - (1) have been registered in the mainland of the People's Republic of China and have lawfully obtained internet payment business permit;
  - (2) have genuine needs for providing cross-border settlement services in RMB;
  - (3) possess sound internal control system and full-time staff for cross-border business, and be able to effectively conduct merchant information collection and access management, transaction information collection, and verification of the authenticity and lawfulness of cross-border transactions in accordance with the requirements of this *Notice* and applicable rules and regulations;
  - (4) have in place concrete policies and measures for anti-money laundering, counter-terrorist financing anti-tax evasion, etc., for cross-border RMB settlement services; and possess anti-money laundering, counter-terrorist financing, and anti-tax evasion systems with efficient processing and connecting capabilities for cross-border RMB settlement services;
  - (5) comply with applicable national laws and regulations, operate in a compliant manner, possess strong risk control capabilities, and have not committed any material violation in the past two years.
4. When handling cross-border RMB settlement for a payment institution, a domestic bank should assess the payment institution's business capabilities according to Article 3 of this *Notice*, sign a cross-border RMB settlement agreement which specifies both parties'

rights and obligations, and, within ten business days, file with the local PBC central sub-branch at the sub-provincial city level or above (hereinafter referred to as local PBC branch). The domestic bank should re-assess the business capabilities of each payment institution on file every year and report the result to the local PBC branch periodically. The domestic bank should file with the local PBC branch within ten business days after any change to a cross-border RMB settlement agreement. If, upon assessment, a payment institution no longer meets the requirements of Article 3 of this *Notice* or if a cross-border RMB settlement agreement is terminated, the domestic bank should report the situations to the local PBC branch within ten business days and cancel the corresponding filings.

5. The cross-border RMB settlement business conducted under this *Notice* should be based on authentic and lawful transactions and comply with national laws and regulations. Where a domestic bank partners with a payment institution to carry out the cross-border RMB settlement business specified in this *Notice*, they should, upon negotiation, jointly establish a mechanism for authenticity verification, ensure that the authenticity and lawfulness of transaction background is duly verified with concerted efforts, and should not in any form provide cross-border RMB settlement services for illegal transactions.
  - (1) Domestic banks and payment institutions should strengthen their management of market trading entities, lawfully collect the basic information, verify and update the information regularly, and establish a negative list of market trading entities.
  - (2) Domestic banks and payment institutions should reasonably set differentiated single-transaction limits for cross-border RMB settlement business based on the types of market trading entities and the characteristics of their transactions.
  - (3) Domestic banks and payment institutions should establish and improve systems for interim review and ex post random inspection of cross-border RMB settlement business; strengthen the monitoring of large value, suspicious, high-frequency, and

other types of abnormal transactions; and retain relevant information for at least five years for future examinations.

- (4) Payment institutions should establish a transaction information collection and verification system. For any transaction with a high risk of incompliance, the payment institution should request the market trading entities concerned to furnish relevant documentations, and, for any transaction whose authenticity and lawfulness is in doubt, refuse to conduct cross-border RMB settlement for the transaction.
- (5) Where a domestic bank partnering with a payment institution detects any abnormality, it should immediately take responding actions including but not limited to requiring the payment institution and the parties involved in the transaction to furnish authentic and lawful documentations for the suspicious transaction. Domestic banks should report any confirmed abnormality to the local PBC branch within five business days. Domestic banks are jointly and severally liable for handling the illegal activities conducted by the payment institution.

This *Notice* applies if domestic banks directly provide the cross-border RMB settlement services under this *Notice* for market trading entities.

- 6. When providing cross-border RMB settlement services, domestic banks and payment institutions should duly fulfill their anti-money laundering, counter-terrorist financing, and anti-tax evasion obligations and comply with the rules and regulations on combating cross-border gambling, wire fraud, and unlawful engagement in the businesses of payment institutions.
- 7. Domestic banks should, in accordance with the relevant reporting requirements of the RMB Cross-border Payments and Receipts Management Information System (RCPMIS), submit cross-border payment and receipt data in a timely, accurate, and complete manner. For transactions subject to net settlement, transaction information should be restored to the original payment and receipt information for

data reporting. Domestic banks and payment institutions should properly retain the original payment and receipt data of each transaction of the actual domestic paying or receiving organizations or individuals as before the transaction underwent bulk payment, receipt or net settlement for future inspection purpose.

8. The PBC and its branches may, according to laws, conduct off-site monitoring over the cross-border RMB settlement business carried out by domestic banks and payment institutions for the new business forms of foreign trade. Domestic banks and payment institutions should provide cooperation.
9. Domestic banks and payment institutions are encouraged to improve their service capabilities, enhance their support for the cross-border RMB settlement business of new business forms of foreign trade, offer diversified supporting products for those activities, and reduce the processing charges for market trading entities.
10. This *Notice* takes effect on July 21, 2022. Where there is any inconsistency between this *Notice* and Article 7 or other provisions of the *Guiding Opinions of the People's Bank of China on Implementing the Several Opinions of the General Office of the State Council on Supporting the Steady Growth of Foreign Trade* (Yinfa No. 168 [2014]), this *Notice* prevails.

The People's Bank of China

June 16, 2022