



SAFE Tightens Control over Foreign Exchange Balances

Chinese version Domestic and offshore institutions must report nature of the capital in line with law prior to processing their foreign exchange balance businesses.

Under the Circular on Issues Concerning the Foreign Exchange Businesses via Foreign Exchange Accounts (Circular) released by China's State Administration of Foreign Exchange on November 7, 2008, such foreign exchange balance businesses as cross-national foreign exchange collection and payment by individual trade settlement accounts and domestic transfer.

The Circular also outlined that banks must establish foreign exchange accounts for domestic and offshore institutions when processing such foreign exchange balance businesses as cross-national foreign exchange collection and settlement and domestic transfer of foreign exchanges.

(Source: State Administration of Foreign Exchange)

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