

provisional regulations for exchange
control of the people's republic
of china

(promulgated by the state council
on december 18, 1980)

chapter one general provisions

article 1

these provisional regulations are formulated for the purpose of strengthening exchange control, increasing national foreign exchange income and economizing on foreign exchange expenditure so as to expedite the national economic growth and safeguard the rights and interests of the country.

all foreign exchange income and expenditure, the issuance and circulation of all kinds of payment instruments in foreign currency, dispatch and carriage into and out of the people's republic of china of foreign exchange, precious metals and payment instruments in foreign currency shall be governed by these regulations.

article 2

foreign exchange herein mentioned refers to:

- a. foreign currencies, including banknotes, coins, etc.
- b. securities in foreign currency, including government bonds, treasury bills, corporate bonds and debentures, shares, interest and dividend coupons, etc.
- c. instruments payable in foreign currency, including bills, drafts, cheques, bank deposit certificates, postal savings certificates, etc.
- d. other foreign exchange funds.

article 3

the people's republic of china pursues the policy of centralized control and unified management of foreign exchange by the state.

the administrative organ in charge of exchange control of the people's republic of china is the state general administration of exchange control (sgaec) and its branch offices.

the specialized foreign exchange bank of the people's republic of china is the bank of china. no other financial institution shall engage in foreign exchange business, unless approved by the sgaec.

article 4

all chinese and foreign organizations and individuals in the people's republic of china must, unless otherwise stipulated by law or decree or in these regulations, sell their foreign exchange proceeds to the bank of china. any foreign exchange required is to be sold to them by the bank of china in accordance with the quota approved by the state or with relevant regulations.

the circulation, use and mortgage of foreign currency in the people's republic of china are prohibited. unauthorized sales and purchases of foreign exchange and unlawfully seizing possession of foreign exchange in whatever ways and by whatever means are prohibited.

chapter two exchange control relating
to state organizations and
collective economic units

article 5

foreign exchange income and expenditure of state organs, armed forces units, non-governmental bodies, educational institutions, state enterprises, government establishments, and urban and rural collective economic units in china (hereinafter referred to as domestic organizations) are all subject to control according to plan.

domestic organizations are permitted to retain a proportion of their foreign exchange receipts in accordance with relevant regulations.

article 6

unless approved by the sgaec or its branch offices, domestic organizations shall not:
possess foreign exchange;
deposit foreign exchange abroad;
offset foreign exchange expenditure against foreign exchange income; or
use the foreign exchange belonging to state organs stationed abroad or chinese enterprises and establishments resident in foreign countries or in the hongkong and macao regions,
by way of borrowing or acquisition.

article 7

unless approved by the state council, domestic organizations shall not issue securities with foreign exchange value inside or outside china.

article 8

departments under the state council and people's governments of various provinces, municipalities and autonomous regions shall compile annual overall plans for domestic organizations under their respective jurisdiction whereby loans may be accepted from banks or enterprises in foreign countries or in the hongkong and macao regions.
these plans shall be submitted to the sgaec and the foreign investment control commission for examination and forwarding to the state council for approval.

the procedure for examining and approving individual borrowings shall be prescribed separately.

article 9

the portion of foreign exchange retained by domestic organizations, non-trade foreign exchange and foreign exchange under compensatory trade received in advance for later payments, funds borrowed in convertible foreign currency, and other foreign exchange held with the approval of the sgaec or its branch offices, must be placed in foreign currency deposit accounts or foreign currency quota accounts to be opened with the bank of china, and must be used within the prescribed scope and be subject to the supervision of the bank of china.

article 10

when domestic organizations import or export goods, the banks handling the transactions shall check their foreign exchange receipts and payments either against the import or export licenses duly verified by the customs or against the customs declaration forms for imports or exports.

article 11

state organs stationed abroad must use foreign exchange according to the plan approved by the state.

the operating profits of enterprises and establishments in foreign countries or in the hongkong and macao regions must, except the portion kept locally as working funds according to the plan approved by the state, be transferred back on scheduled time and be sold to the bank of china.

no chinese organization stationed abroad is permitted to keep foreign exchange for domestic organizations without authorization.

article 12

delegations and work-groups sent temporarily to foreign countries or to the hongkong and macao regions must use foreign exchange according to their respective specific plans, and must, upon their return, promptly transfer back to china their surplus foreign exchange to be checked by and sold to the bank of china.

foreign exchange earned in their various business activities by the delegations and work-groups referred to in the above paragraph and by members thereof, must be promptly transferred back to china and must not be kept abroad without the approval of the sgaec or its branch offices.

chapter three exchange control relating to individuals

article 13

foreign exchange remitted from foreign countries or from the hongkong and macao regions to chinese or foreign nationals or stateless persons residing in china must be sold to the bank of china, except the portion retained as permitted by the state.

article 14

chinese and foreign nationals and stateless persons residing in china are permitted to keep in their own possession foreign exchange already in china.

the foreign exchange referred to in the above paragraph shall not, without authorization, be carried or sent out of china either in person or by others or by post. if the owners wish to sell the foreign exchange, they must sell it to the bank of china and are permitted to retain a portion thereof as convertible foreign currency according to the percentage prescribed by the state.

article 15

when foreign exchange that has been kept in foreign countries or in the hongkong and macao regions by chinese residents in china prior to the founding of the people's republic of china, by overseas chinese prior to their returning to and settling down in china, by hongkong and macao compatriots prior to their returning to and settling down in their home places, is transferred to china, the owners are permitted to retain a portion thereof as convertible foreign currency according to the percentage prescribed by the state.

article 16

when foreign exchange belonging personally to individuals sent to work or study in foreign countries or in the hongkong and macao regions is remitted or brought back to china, the owners returning after completion of their missions are permitted to retain the entire amount as convertible foreign currency.

article 17

the percentages of foreign exchange retention permitted under articles 13, 14 and 15 of these regulations shall be prescribed separately.

the enterprises referred to in the above paragraph must submit periodic reports and statements of their foreign exchange business to the sgaec or its branch offices, all of which are empowered to inspect their activities in respect to their foreign exchange receipts and payments.

article 23

except where otherwise approved by the sgaec or its branch offices, renminbi should in all cases be used in the settlement of accounts between enterprises with overseas chinese capital, enterprises with foreign capital, chinese and foreign joint ventures and other enterprises and individuals residing in the people's republic of china.

article 24

enterprises with overseas chinese capital, enterprises with foreign capital and foreign partners in chinese and foreign joint ventures may apply to the bank of china for remitting abroad their net profits after tax as well as other legitimate earnings by debiting the foreign exchange deposit accounts of the enterprises concerned.

the enterprises and foreign partners referred to in the above paragraph should apply to the sgaec or its branch offices for transferring foreign exchange capital abroad by debiting the foreign exchange deposit accounts of the enterprises concerned.

article 25

an amount not exceeding 50 per cent of their net wages and other legitimate earnings after tax may be remitted or taken out of china in foreign currency by staff members and workers of foreign nationality and those from the hongkong and macao regions employed by enterprises with overseas chinese capital, enterprises with foreign capital and chinese and foreign joint ventures.

article 26

enterprises with overseas chinese capital, enterprises with foreign capital and chinese and foreign joint ventures which wind up operations in accordance with legal procedure, should be responsible for the liquidation within the scheduled period of their outstanding liabilities and taxes due in china, under the joint supervision of the relevant departments in charge and the sgaec or its branch offices.

chapter six control relating to carrying foreign exchange, precious metals and payment instruments in foreign currency into and out of china

article 27

no restriction as to the amount is imposed on the carrying into china of foreign exchange, precious metals and objects made from them, but declaration to the customs is required at the place of entry.

to carry foreign exchange out of china or to carry out of china the foreign exchange previously brought in shall be permitted by the customs against certification by the bank of china or against the original declaration form at the time of entry.

to carry out of china precious metals and objects made from them or to carry out of china precious metals and objects made from them previously brought in shall be permitted by the customs according to the specific circumstances as prescribed by government

foreign exchange retained by individuals as permitted under articles 13, 14, 15 and 16 of these regulations must be deposited with the bank of china. these foreign exchange deposits may be sold to the bank of china or remitted out of china through the bank of china, or taken out of china against certification by the bank of china. it is however not permitted, without authorization, to carry or send deposit certificates out of china either in person or by others or by post.

article 18

foreign exchange remitted or brought into china from foreign countries or from the hongkong and macao regions by foreign nationals coming to china, by overseas chinese and hongkong and macao compatriots returning for a short stay, by foreign experts, technicians, staff members and workers engaged to work in domestic organizations, and by foreign students and trainees, may be kept in their own possession, or sold to or deposited with the bank of china, or remitted or taken out of china.

article 19

chinese and foreign nationals and stateless persons residing in china may apply to the local branch offices of the sgaec for the purchase of foreign exchange to be remitted or taken out of china. when approved, the required foreign exchange will be sold to the applicants by the bank of china.

when foreign experts, technicians, staff members and workers engaged to work in domestic organizations require foreign exchange to be remitted or taken out of china, the bank of china will deal with their applications in accordance with the stipulations in the contracts or agreements.

chapter four exchange control relating to foreign representations in china and their personnel

article 20

foreign exchange remitted or brought into china from foreign countries or from the hongkong and macao regions by foreign diplomatic missions, consulates, official commercial offices, offices of international organizations and non-governmental bodies resident in china, diplomatic officials and consuls as well as members of the permanent staff of the above units, may be kept in their own possession, or sold to or deposited with the bank of china, or remitted or taken out of china.

article 21

the conversion into foreign currency, if required, of visa and certification fees received in renminbi from chinese citizens by foreign diplomatic missions and consulates in china, is subject to approval by the sgaec or its branch offices.

chapter five exchange control relating to enterprises with overseas chinese capital, enterprises with foreign capital, and chinese and foreign joint ventures and their personnel

article 22

all foreign exchange receipts of enterprises with overseas chinese capital, enterprises with foreign capital and chinese and foreign joint ventures, must be deposited with the bank of china, and all their foreign exchange disbursements must be paid from their foreign exchange deposit accounts.

regulations or against the original declaration form at the time of entry.

article 28

renminbi traveller's cheques, traveller's letters of credit and other renminbi payment instruments convertible into foreign currency may be brought into china against declaration to the customs, and taken out of china against certification by the bank of china or against the original declaration form at the time of entry.

article 29

unless otherwise approved by the sgaec or its branch offices, the carrying or sending out of china either in person or by others or by post of the following documents and securities held by chinese residing in china is not permitted:

bonds, debentures, share certificates issued abroad;
title deeds for real estate abroad;
documents or deeds necessary in dealing with creditor's right or owner's right to possession regarding inheritance, real estate and other foreign exchange assets abroad.

article 30

the carrying or sending out of china of renminbi cheques, drafts, passbooks, deposit certificates and other renminbi instruments held by chinese or foreign nationals or stateless persons residing in china, is not permitted, either in person or by others or by post.

chapter seven supplementary provisions

article 31

all units and individuals have the right to report any violation of these regulations. reward shall be given to such units or individuals according to the merit of the report. violators shall be penalized by the sgaec, its branch offices or by the departments of public security, or by the departments of administration of industry and commerce, or by the customs. according to the seriousness of the offence, the penalties may take the form of compulsory exchange of the foreign currency for renminbi, or fine or confiscation of the properties or both, or punishment by judicial authorities according to law.

article 32

the exchange control regulations for special economic zones, for trade in border areas, and for personal dealings between inhabitants across the border shall be formulated by the people's governments of the provinces, municipalities and autonomous regions concerned in the spirit of these regulations and in the light of specific local conditions, and shall be enforced upon the approval of the state council.

article 33

detailed provisions for the enforcement of these regulations shall be formulated by the sgaec.

article 34

these regulations shall come into force on march 1, 1981.

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