Anti-Money Laundering Law of the People's Republic of China

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of preventing money laundering activities, curbing money laundering and related crimes, safeguarding economic and financial order and social stability, and protecting the interests of the state and the people.

Article 2 — For the purposes of this Law, money laundering means the act of disguising or concealing, by various means, the source and nature of the proceeds of crime and the gains derived therefrom, or the act of providing funds, accounts, or other assistance for the purpose of committing money laundering predicate offenses.

Article 3 — The anti-money laundering administrative department of the State Council shall be responsible for the supervision and administration of anti-money laundering work nationwide. Relevant departments and authorities of the State Council shall, within their respective scope of duties, perform anti-money laundering supervision and administration duties.

Article 4 — Anti-money laundering work shall follow the principles of legality, prudence, cooperation, and confidentiality, and shall balance anti-money laundering with the protection of lawful rights and interests.

Article 5 — The state shall establish and improve an anti-money laundering monitoring and analysis system, strengthen anti-money laundering intelligence and information work, and enhance the technology and capacity for anti-money laundering monitoring.

Article 6 — Financial institutions and specific non-financial institutions that are obliged to perform anti-money laundering obligations in accordance with law shall establish sound internal anti-money laundering control systems and perform their anti-money laundering obligations.

Article 7 — Any entity or individual that discovers money laundering activities shall have the right to report them to the anti-money laundering administrative department or to a public security authority. Entities and individuals that render meritorious service in anti-money laundering work shall be commended and rewarded.

Article 8 — Customer identity information, transaction information, and other information obtained in the course of performing anti-money laundering duties shall be kept confidential; such information shall not be disclosed, sold, or illegally provided to others.

Chapter II — Anti-Money Laundering Supervision and Administration

Article 9 — The anti-money laundering administrative department of the State Council shall organize, coordinate, and administer anti-money laundering work nationwide, formulate anti-money laundering rules and regulations, supervise and inspect the performance of anti-money laundering obligations by financial institutions and specific non-financial institutions, and conduct investigations into suspected money laundering activities.

Article 10 — The anti-money laundering administrative department of the State Council shall establish an anti-money laundering information center to receive, analyze, and process reports on large-value transactions and suspicious transactions, and to transfer suspicious transaction reports to relevant departments.

Article 11 — Relevant financial regulatory authorities of the State Council shall, within their respective scope of duties, supervise and administer financial institutions in performing their anti-money laundering obligations.

Article 12 — Relevant departments of the State Council shall, within their respective scope of duties, perform anti-money laundering supervision and administration duties for specific non-financial institutions.

Article 13 — The anti-money laundering administrative department and other relevant departments of the State Council shall establish mechanisms for information sharing, coordination, and cooperation.

Article 14 — The anti-money laundering administrative department may, in the course of performing its duties, conduct on-site inspections, off-site monitoring, and administrative investigations.

Article 15 — When conducting anti-money laundering investigations, the anti-money laundering administrative department or its dispatched offices at the provincial level may take the following measures:

(1) Interview relevant persons and require explanations of relevant matters;

(2) Access, copy, or seal up documents and materials related to the investigation;

(3) Examine and audit the assets and financial accounts of entities and individuals under investigation;

(4) Temporarily freeze funds in accounts suspected of being involved in money laundering, subject to approval.

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Chapter III — Anti-Money Laundering Obligations of Financial Institutions

Article 16 — Financial institutions shall establish sound anti-money laundering internal control systems. The person-in-charge shall be responsible for the effective implementation of anti-money laundering internal control systems.

Article 17 — Financial institutions shall establish a customer due diligence system and perform customer due diligence obligations in accordance with provisions.

Article 18 — When establishing a business relationship with a customer or conducting a single transaction above the prescribed threshold, financial institutions shall identify the customer and verify the customer's identity using valid identity documents or other reliable and independent supporting documents.

Article 19 — Financial institutions shall identify and verify the identity of the beneficial owner of a customer, and understand the ownership and control structure of the customer.

Article 20 — Financial institutions shall conduct enhanced due diligence on customers or transactions identified as having higher money laundering or terrorist financing risks.

Article 21 — Financial institutions shall conduct ongoing due diligence on customers throughout the business relationship, reviewing and updating customer information in a timely manner.

Article 22 — Financial institutions shall report large-value transactions and suspicious transactions to the anti-money laundering information center in accordance with provisions.

Article 23 — Financial institutions shall keep customer identity information and transaction records. Customer identity information shall be kept for at least five years from the date when the business relationship ends. Transaction records shall be kept for at least five years from the date when the transaction is recorded.

Article 24 — Financial institutions shall provide anti-money laundering training to their staff members and enhance their awareness of and capacity for anti-money laundering work.

Article 25 — Financial institutions shall designate an anti-money laundering compliance officer or establish an anti-money laundering compliance department to be responsible for anti-money laundering compliance management.

Article 26 — Financial institutions shall conduct anti-money laundering risk self-assessments and adjust their risk management policies and procedures based on the assessment results.

Article 27 — Where a financial institution entrusts a third party to perform customer due diligence on its behalf, the financial institution shall bear ultimate responsibility for the fulfillment of its anti-money laundering obligations.

Article 28 — Specific non-financial institutions that shall perform anti-money laundering obligations include:

(1) Real estate development enterprises and real estate brokerage agencies;

(2) Notary public offices, law firms, accounting firms, and other professional service institutions;

(3) Dealers in precious metals and precious stones;

(4) Other specific non-financial institutions as prescribed by the anti-money laundering administrative department of the State Council in conjunction with relevant departments.

Chapter IV — Anti-Money Laundering Investigation

Article 29 — Where the anti-money laundering administrative department discovers or receives a report of suspected money laundering activities, it shall conduct an investigation in accordance with law.

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Article 30 — Where the anti-money laundering administrative department, after investigation, finds that money laundering activities are suspected of constituting a crime, it shall transfer the case to the public security authority or other competent authority for handling.

Article 31 — In the course of an investigation, where there is a risk that funds or other assets suspected of being involved in money laundering may be transferred, converted, concealed, or disposed of, the anti-money laundering administrative department may temporarily freeze the relevant funds or assets for a period not exceeding 48 hours; where an extension is needed under special circumstances, the period may be extended once for not more than 48 hours.

Article 32 — Entities and individuals under investigation shall cooperate with the anti-money laundering administrative department in its lawful investigations and shall truthfully provide relevant information and materials.

Chapter V — International Cooperation in Anti-Money Laundering

Article 33 — The state shall, in accordance with international treaties or the principle of reciprocity, carry out international cooperation in anti-money laundering.

Article 34 — The anti-money laundering administrative department of the State Council may, in accordance with authorization, exchange anti-money laundering information and intelligence with foreign anti-money laundering authorities.

Article 35 — The anti-money laundering administrative department of the State Council may, in accordance with authorization, provide mutual legal assistance in anti-money laundering with foreign anti-money laundering authorities.

Article 36 — Where there are international treaties or agreements to which the People’s Republic of China is a party, such treaties or agreements shall prevail, except for provisions to which the People’s Republic of China has declared reservations.

Chapter VI — Legal Liability

Article 37 — Where a financial institution violates the provisions of this Law by failing to perform customer due diligence obligations, failing to keep customer identity information and transaction records, failing to report large-value transactions, or failing to report suspicious transactions, the anti-money laundering administrative department shall order it to take corrective action and may impose a fine of not less than RMB 200,000 but not more than RMB 2,000,000; where the circumstances are serious, a fine of not less than RMB 2,000,000 but not more than RMB 10,000,000 may be imposed, and the relevant financial regulatory authority may, in accordance with law, order it to suspend business for rectification or revoke its business license.

Article 38 — Where a financial institution violates the provisions of this Law, the anti-money laundering administrative department may, in addition to imposing penalties on the institution, impose the following penalties on the directly responsible person in charge and other directly liable persons:

(1) Where the violation is relatively minor, a warning shall be given and a fine of not less than RMB 50,000 but not more than RMB 100,000 shall be imposed;

(2) Where the violation is serious, a fine of not less than RMB 100,000 but not more than RMB 500,000 shall be imposed, and the relevant financial regulatory authority may disqualify the person from serving as a director, supervisor, or senior manager for a certain period or for life, or prohibit the person from working in the financial industry for a certain period or for life.

Article 39 — Where a specific non-financial institution violates the provisions of this Law, the relevant competent authority shall impose penalties on it in accordance with the provisions of this Law.

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Article 40 — Where a staff member of the anti-money laundering administrative department or another relevant department abuses power, neglects duty, or engages in malpractice for personal gain, sanctions shall be imposed in accordance with law; where a crime is constituted, criminal liability shall be pursued in accordance with law.

Chapter VII — Supplementary Provisions

Article 41 — For the purposes of this Law:

(1) “Money laundering predicate offense” means any criminal offense that can generate proceeds that may become the subject of money laundering;

(2) “Financial institutions” means policy banks, commercial banks, rural credit cooperatives, urban credit cooperatives, postal savings institutions, trust companies, securities companies, futures companies, fund management companies, insurance companies, insurance asset management companies, financial asset management companies, financial companies, financial leasing companies, auto finance companies, currency brokerage companies, payment institutions, and other financial institutions established in accordance with law within the territory of the People’s Republic of China.

Article 42 — The provisions of this Law regarding financial institutions shall apply, mutatis mutandis, to specific non-financial institutions that perform anti-money laundering obligations.

Article 43 — This Law shall come into force on January 1, 2025. The Anti-Money Laundering Law of the People’s Republic of China (2006) shall be repealed simultaneously.

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