

Anti-Money Laundering Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted in accordance with the Constitution for the purpose of preventing money laundering activities, curbing money laundering and related crimes, strengthening and standardizing anti-money laundering work, and maintaining the financial order, the public interest of society, and national security.

Article 2 — For the purposes of this Law, "anti-money laundering" refers to the taking of relevant measures in accordance with this Law in order to prevent money laundering activities that conceal or disguise, through various means, the source and nature of the proceeds of crime and the gains thereof from drug-related

crimes, crimes of an organized nature with characteristics of an underworld society, terrorist activities crimes, smuggling crimes, embezzlement and bribery crimes, crimes of disrupting the order of financial administration, financial fraud crimes, and other crimes.

The prevention of terrorist financing activities is governed by this Law; where other laws provide otherwise, such provisions shall prevail.

Article 3 — Anti-money laundering work shall implement the line, principles, policies, and decision-making arrangements of the Party and the State, adhere to a holistic approach to national security, improve the supervision and administration systems and mechanisms, and strengthen the risk prevention and control system.

Article 4 — Anti-money laundering work shall be carried out in accordance with the law, ensure that anti-money laundering measures are commensurate with money laundering risks, guarantee the smooth progress of normal financial services and the flow of funds, and safeguard the lawful rights and interests of organizations and individuals.

Article 5 — The anti-money laundering administrative department of the State Council is responsible for anti-money laundering supervision and administration nationwide. The relevant departments of the State Council shall perform their anti-money laundering supervision and administration duties within the scope of their respective duties.

The anti-money laundering administrative department of the State Council, the relevant departments of the State Council, supervisory organs, and judicial organs shall cooperate with each other in anti-money laundering work.

Article 6 — Financial institutions established within the territory of the People's Republic of China (hereinafter referred to as "within the territory") and specific non-financial institutions that are required to perform anti-money laundering obligations in accordance with this Law shall, in accordance with the law, take preventive and monitoring measures, establish and improve internal control systems for anti-money laundering, and perform such anti-money laundering obligations as customer due diligence, preservation of customer identity materials and transaction records, reporting of large-value transactions and suspicious transactions, and special preventive measures against money laundering.

Article 7 — Anti-money laundering information, such as customer identity materials and transaction information, and anti-money laundering investigation information, obtained in the lawful performance of anti-money laundering duties or obligations shall be kept confidential; it shall not be provided to any organization or individual except in accordance with the law.

Customer identity materials and transaction information obtained by the anti-money laundering administrative department and other departments legally charged with anti-money laundering supervision and administration duties in the performance of their anti-money laundering duties may only be used for anti-money laundering supervision and administration and administrative investigation.

Customer identity materials and transaction information obtained by judicial organs in accordance with this Law may only be used for criminal proceedings related to anti-money laundering.

State organs concerned that use anti-money laundering information shall protect state secrets, trade secrets, and personal privacy and personal information in accordance with the law.

Article 8 — Institutions performing anti-money laundering obligations and their staff members shall be protected by law in lawfully carrying out such work as submitting reports on large-value transactions and suspicious transactions.

Article 9 — The anti-money laundering administrative department shall, in conjunction with the relevant state organs, carry out anti-money laundering publicity and education activities through various forms, publicize to

the public the illegality, harmfulness, and manifestations of money laundering activities, and enhance the public's awareness of preventing and ability to identify money laundering activities.

Article 10 — No organization or individual may engage in money laundering activities or provide facilitation for money laundering activities, and shall cooperate with financial institutions and specific non-financial institutions in carrying out customer due diligence in accordance with the law.

Article 11 — Any organization or individual that discovers money laundering activities shall have the right to report them to the anti-money laundering administrative department, public security organs, or other relevant state organs. The organ receiving the report shall keep the reporter and the content of the report confidential.

Organizations and individuals that have made outstanding contributions to anti-money laundering work shall be commended and rewarded in accordance with the relevant provisions of the State.

Article 12 — Money laundering and terrorist financing activities outside the territory of the People's Republic of China (hereinafter referred to as "outside the territory") that endanger the sovereignty and security of the People's Republic of China, infringe upon the lawful rights and interests of citizens, legal persons, and other organizations of the People's Republic of China, or disrupt the financial order within the territory shall be dealt with and pursued for legal liability in accordance with this Law and the relevant provisions of laws.

Chapter II — Anti-Money Laundering Supervision and Administration

Article 13 — The anti-money laundering administrative department of the State Council shall organize and coordinate anti-money laundering work nationwide, be responsible for the monitoring of funds for anti-money laundering purposes, formulate, or formulate in conjunction with the relevant financial administrative departments of the State Council, administrative regulations on anti-money laundering for financial institutions, supervise and inspect the performance of anti-money laundering obligations by financial institutions, investigate suspicious transaction activities within the scope of its duties, and perform other anti-money laundering duties prescribed by laws and the State Council.

The dispatched offices of the anti-money laundering administrative department of the State Council shall, within the scope of authorization of the anti-money laundering administrative department of the State Council, supervise and inspect the performance of anti-money laundering obligations by financial institutions.

Article 14 — The relevant financial administrative departments of the State Council shall participate in the formulation of administrative regulations on anti-money laundering for the financial institutions under their supervision and administration, and perform other anti-money laundering duties prescribed by laws and the State Council.

The relevant financial administrative departments shall implement anti-money laundering review requirements in the market access of financial institutions, and where they discover in the course of supervision and administration that financial institutions violate anti-money laundering provisions, they shall transfer the clues to the anti-money laundering administrative department and cooperate with it in handling them.

Article 15 — The competent departments of the State Council for specific non-financial institutions shall formulate, or the anti-money laundering administrative department of the State Council shall formulate in conjunction with them, administrative regulations on anti-money laundering for specific non-financial institutions.

The relevant competent departments of specific non-financial institutions shall supervise and inspect the performance of anti-money laundering obligations by specific non-financial institutions, handle anti-money laundering supervision and administration suggestions raised by the anti-money laundering administrative department, and perform other anti-money laundering duties prescribed by laws and the State Council. The relevant competent departments of specific non-financial institutions may, as needed, request the

anti-money laundering administrative department to assist them in supervision and inspection.

Article 16 — The anti-money laundering administrative department of the State Council shall establish an anti-money laundering monitoring and analysis institution. The anti-money laundering monitoring and analysis institution shall carry out the monitoring of funds for anti-money laundering purposes, be responsible for receiving and analyzing reports on large-value transactions and suspicious transactions, transfer the analysis results, report its work to the anti-money laundering administrative department of the State Council in accordance with provisions, and perform other duties prescribed by the anti-money laundering administrative department of the State Council.

The anti-money laundering monitoring and analysis institution may, as needed for the lawful performance of its duties, require institutions performing anti-money laundering obligations to provide supplementary information related to large-value transactions and suspicious transactions.

The anti-money laundering monitoring and analysis institution shall improve its monitoring and analysis system, carry out monitoring and analysis in a targeted manner according to the money laundering risk situation, feed back to institutions performing anti-money laundering obligations the use of suspicious transaction reports in accordance with provisions, and continuously improve its monitoring and analysis level.

Article 17 — The anti-money laundering administrative department of the State Council may, for the performance of its anti-money laundering duties, obtain necessary information from the relevant state organs, which shall provide such information in accordance with the law.

The anti-money laundering administrative department of the State Council shall periodically report the anti-money laundering work situation to the relevant state organs, and provide necessary anti-money laundering information to the relevant state organs performing duties related to anti-money laundering, such as supervision and administration, administrative investigation, supervisory investigation, and criminal proceedings, in accordance with the law.

Article 18 — Persons entering or leaving the country carrying cash, bearer payment instruments, and the like exceeding the prescribed amount shall declare to the customs in accordance with provisions. Where the customs discovers that a person entering or leaving the country is carrying cash, bearer payment instruments, and the like exceeding the prescribed amount, it shall promptly notify the anti-money laundering administrative department.

The scope of declaration, the amount standards, and the notification mechanism prescribed in the preceding paragraph shall be prescribed by the anti-money laundering administrative department of the State Council and the foreign exchange administrative department of the State Council, in conjunction with the General Administration of Customs, according to their division of duties.

Article 19 — The anti-money laundering administrative department of the State Council shall, in conjunction with the relevant departments of the State Council, establish an information management system for the beneficial owners of legal persons and unincorporated organizations.

Legal persons and unincorporated organizations shall preserve and promptly update beneficial owner information, and truthfully submit and promptly update beneficial owner information to the registration organ in accordance with provisions. The anti-money laundering administrative department and registration organs shall manage beneficial owner information in accordance with provisions.

The anti-money laundering administrative department and the relevant state organs may use beneficial owner information in accordance with the law as needed for the performance of their duties. Financial institutions and specific non-financial institutions shall, in accordance with the law, inquire into and verify beneficial owner information when performing anti-money laundering obligations; where they discover that beneficial owner information is erroneous, inconsistent, or incomplete, they shall provide feedback in

accordance with provisions. The use of beneficial owner information shall protect information security in accordance with the law.

For the purposes of this Law, "beneficial owner" of a legal person or unincorporated organization refers to the natural person who ultimately owns or actually controls the legal person or unincorporated organization, or enjoys the ultimate benefits of the legal person or unincorporated organization. The specific criteria for determination shall be formulated by the anti-money laundering administrative department of the State Council in conjunction with the relevant departments of the State Council.

Article 20 — Where the anti-money laundering administrative department and other departments legally charged with anti-money laundering supervision and administration duties discover transaction activities suspected of money laundering and related illegal and criminal activities, they shall transfer the clues and relevant evidentiary materials to the organ with jurisdiction for handling. The organ receiving the transfer shall provide feedback on the handling result in accordance with the relevant provisions.

Article 21 — The anti-money laundering administrative department may, for the lawful performance of its supervision and administration duties, require financial institutions to report on their performance of anti-money laundering obligations, carry out risk monitoring and assessment of financial institutions, and evaluate the implementation of this Law and the relevant administrative regulations by financial institutions. Where necessary, it may, in accordance with provisions, interview the directors, supervisors, senior management personnel, and persons directly responsible for anti-money laundering work of financial institutions and require them to explain relevant matters; and give reminders on problems existing in the performance of anti-money laundering obligations by financial institutions.

Article 22 — When carrying out supervision and inspection, the anti-money laundering administrative department may take the following measures:

- (1) entering financial institutions to carry out inspection;
- (2) questioning staff members of financial institutions and requiring them to explain the matters under inspection;
- (3) consulting and copying documents and materials of financial institutions related to the matters under inspection, and sealing documents and materials that may be transferred, concealed, or damaged;
- (4) inspecting the computer networks and information systems of financial institutions, and retrieving and preserving the relevant data and information in the computer networks and information systems of financial institutions.

Supervision and inspection as provided in the preceding paragraph shall be subject to the approval of the person in charge of the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city. Inspectors shall be no fewer than two persons and shall present their law enforcement credentials and the inspection notice; where the inspectors are fewer than two persons or fail to present their law enforcement credentials and the inspection notice, the financial institution shall have the right to refuse inspection.

Article 23 — The anti-money laundering administrative department of the State Council shall, in conjunction with the relevant state organs, assess the money laundering risks faced by the State and by industries, issue money laundering risk guidelines, strengthen guidance for institutions performing anti-money laundering obligations, support and encourage technological innovation in the anti-money laundering field, promptly monitor new money laundering risks related to new fields and new forms of business, optimize resource allocation according to the money laundering risk situation, and improve supervision and administration measures.

Article 24 — With respect to countries or regions with serious money laundering risks, the anti-money laundering administrative department of the State Council may, on the basis of soliciting the opinions of the

relevant state organs and with the approval of the State Council, list them as countries or regions with high money laundering risks and take corresponding measures.

Article 25 — Institutions performing anti-money laundering obligations may lawfully establish anti-money laundering self-disciplinary organizations. Anti-money laundering self-disciplinary organizations shall, in coordination with the relevant industry self-disciplinary organizations, carry out self-disciplinary management in the anti-money laundering field.

Anti-money laundering self-disciplinary organizations shall be subject to the guidance of the anti-money laundering administrative department of the State Council.

Article 26 — Institutions providing anti-money laundering consulting, technical, professional capability evaluation, and other services, and their staff members, shall provide services with diligence and dedication; and shall properly handle the data and information obtained in providing services in accordance with the law to ensure the security of the data and information.

The anti-money laundering administrative department of the State Council shall strengthen guidance for the above-mentioned institutions in carrying out anti-money laundering-related services.

Chapter III — Anti-Money Laundering Obligations

Article 27 — Financial institutions shall, in accordance with this Law, establish and improve internal control systems for anti-money laundering, set up a dedicated institution or designate an internal institution to take the lead in anti-money laundering work, allocate corresponding personnel according to their business scale and money laundering risk situation, and carry out anti-money laundering training and publicity as required.

Financial institutions shall periodically assess the money laundering risk situation and formulate corresponding risk management systems and procedures, and establish relevant information systems as needed.

Financial institutions shall supervise the effective implementation of the internal control system for anti-money laundering through internal audit or social audit.

The person in charge of a financial institution shall be responsible for the effective implementation of the internal control system for anti-money laundering.

Article 28 — Financial institutions shall establish a customer due diligence system in accordance with provisions.

Financial institutions shall not provide services to or conduct transactions with customers whose identities are unknown, shall not open anonymous accounts or fictitious-name accounts for customers, and shall not open accounts for customers using the identities of others.

Article 29 — Financial institutions shall carry out customer due diligence under any of the following circumstances:

- (1) establishing a business relationship with a customer or providing a customer with one-off financial services above the prescribed amount;
- (2) having reasonable grounds to suspect that the customer and its transactions are suspected of money laundering activities;
- (3) having doubts about the authenticity, validity, or completeness of previously obtained customer identity materials.

Customer due diligence includes identifying and taking reasonable measures to verify the identities of the customer and its beneficial owners, understanding the purpose of the customer's establishment of the business relationship and transactions, and, where higher money laundering risks are involved, also

understanding the source and use of the relevant funds.

Financial institutions shall carry out customer due diligence according to the characteristics of the customer and the nature and risk situation of the transaction activities; where lower money laundering risks are involved, financial institutions shall simplify customer due diligence as appropriate.

Article 30 — During the existence of a business relationship, financial institutions shall continuously monitor and assess the overall situation of the customer and its transactions, and understand the customer's money laundering risks. Where they discover that transactions conducted by the customer are inconsistent with the customer's identity, risk situation, and the like known to the financial institution, they shall further verify the customer and its transactions; where there are high money laundering risk situations, they may, when necessary, take money laundering risk management measures such as restricting the transaction method, amount, or frequency, restricting the types of business, refusing to handle business, and terminating the business relationship.

Financial institutions shall take money laundering risk management measures within the scope of their business authority in accordance with the requirements and procedures of the relevant administrative regulations, balance the relationship between managing money laundering risks and optimizing financial services, shall not take measures clearly disproportionate to the money laundering risk situation, and shall guarantee the basic and necessary financial services related to medical care, social security, public utility services, and the like enjoyed by customers in accordance with the law.

Article 31 — Where business is handled for a customer by an agent, the financial institution shall verify the agency relationship and identify and verify the identity of the agent in accordance with provisions.

Where a financial institution concludes life insurance, trust, or other contracts with a customer and the beneficiary of the contract is not the customer, the financial institution shall identify and verify the identity of the beneficiary.

Article 32 — Where a financial institution carries out customer due diligence relying on a third party, it shall assess the risk situation of the third party and its capability to perform anti-money laundering obligations. Where the third party has higher risk situations or lacks the capability to perform anti-money laundering obligations, the financial institution shall not rely on it to carry out customer due diligence.

The financial institution shall ensure that the third party has taken customer due diligence measures that comply with the requirements of this Law. Where the third party fails to take customer due diligence measures that comply with the requirements of this Law, the financial institution shall bear the legal liability for failure to perform customer due diligence obligations.

The third party shall provide necessary customer due diligence information to the financial institution and cooperate with the financial institution in continuously carrying out customer due diligence.

Article 33 — When carrying out customer due diligence, financial institutions may verify customer identity and other relevant information through the anti-money laundering administrative department and the public security, market supervision and administration, civil affairs, tax, immigration administration, telecommunications administration, and other departments in accordance with the law, and the relevant departments shall provide support in accordance with the law.

The anti-money laundering administrative department of the State Council shall coordinate and promote the relevant departments to provide necessary convenience for financial institutions to carry out customer due diligence.

Article 34 — Financial institutions shall establish a system for preserving customer identity materials and transaction records in accordance with provisions.

During the existence of a business relationship, where customer identity information changes, it shall be updated in a timely manner.

Customer identity materials shall be preserved for at least ten years after the termination of the business relationship, and customer transaction information shall be preserved for at least ten years after the completion of the transaction.

Where a financial institution is dissolved, revoked, or declared bankrupt, it shall transfer customer identity materials and customer transaction information to the institution designated by the relevant department of the State Council.

Article 35 — Financial institutions shall implement the large-value transaction reporting system in accordance with provisions; where a customer's single transaction or cumulative transactions within a certain period exceed the prescribed amount, they shall promptly report to the anti-money laundering monitoring and analysis institution.

Financial institutions shall implement the suspicious transaction reporting system in accordance with provisions, formulate and continuously optimize monitoring standards, effectively identify and analyze suspicious transaction activities, promptly submit suspicious transaction reports to the anti-money laundering monitoring and analysis institution; the circumstances of submitting suspicious transaction reports shall be kept confidential.

Article 36 — Financial institutions shall, under the guidance of the anti-money laundering administrative department, pay attention to and assess the money laundering risks arising from the use of new technologies, new products, new business, and the like, and take corresponding measures according to the situation to reduce money laundering risks.

Article 37 — Financial institutions that have branches within or outside the territory or control other financial institutions, as well as financial holding companies, shall make overall arrangements for anti-money laundering work at the headquarters or group level. Where necessary anti-money laundering information is shared within the company or among group members for the performance of anti-money laundering obligations, the information sharing mechanism and procedures shall be clearly defined. The sharing of anti-money laundering information shall comply with the legal provisions on information protection and ensure that the relevant information is not used for purposes other than anti-money laundering and counter-terrorist financing.

Article 38 — Organizations and individuals that have business relationships with financial institutions shall cooperate with the customer due diligence of financial institutions, provide true and valid identity documents or other identity certification documents, accurately and completely fill in identity information, and truthfully provide materials related to transactions and funds.

Where organizations and individuals refuse to cooperate with the reasonable customer due diligence measures taken by financial institutions in accordance with this Law, financial institutions may, in accordance with the prescribed procedures, take money laundering risk management measures such as restricting or refusing to handle business and terminating the business relationship, and submit suspicious transaction reports as appropriate.

Article 39 — Organizations and individuals that have objections to the money laundering risk management measures taken by financial institutions may raise them with the financial institution. The financial institution shall handle the matter within fifteen days and reply to the party concerned with the result; where the basic and necessary financial services of the customer are involved, it shall handle and reply to the party concerned in a timely manner. Where the relevant organizations and individuals have not received a reply within the time limit or are dissatisfied with the handling result, they may complain to the anti-money laundering administrative department.

The organizations and individuals prescribed in the preceding paragraph that have objections to the money laundering risk management measures taken by financial institutions may also directly institute a lawsuit in the people's court in accordance with the law.

Article 40 — Any organization or individual shall, in accordance with the requirements of the relevant state organs, take special preventive measures against money laundering with respect to the persons listed in the following lists:

- (1) the list of terrorist organizations and personnel determined by the national counter-terrorism work leading body and announced by its working office;
- (2) the list of organizations and personnel involved in targeted financial sanctions in the notices on the implementation of resolutions of the United Nations Security Council issued by the Ministry of Foreign Affairs;
- (3) the list of organizations and personnel determined by the anti-money laundering administrative department of the State Council, or determined by it in conjunction with the relevant state organs, that have significant money laundering risks and, if no measures are taken, may cause serious consequences.

Where a party has an objection to the list prescribed in item (1) of the preceding paragraph, it may apply for review in accordance with the Counter-Terrorism Law of the People's Republic of China. Where a party has an objection to the list prescribed in item (2) of the preceding paragraph, it may apply for removal from the list in accordance with the relevant procedures. Where a party has an objection to the list prescribed in item (3) of the preceding paragraph, it may apply to the department that made the determination for administrative reconsideration; where it refuses to accept the administrative reconsideration decision, it may institute an administrative lawsuit in accordance with the law.

Special preventive measures against money laundering include immediately ceasing to provide financial and other services or funds and assets to the listed persons, their agents, organizations and persons directed by them, and organizations directly or indirectly controlled by them, and immediately restricting the transfer of the relevant funds and assets, and the like.

The persons listed in the lists prescribed in paragraph 1 may apply to the relevant state organs in accordance with provisions to use the restricted funds and assets for their basic expenses and other necessary expenses. The taking of special preventive measures against money laundering shall protect the lawful rights and interests of bona fide third parties, who may seek relief of their rights in accordance with the law.

Article 41 — Financial institutions shall identify and assess the relevant risks and formulate corresponding systems, obtain in a timely manner the lists prescribed in paragraph 1 of Article 40 of this Law, verify customers and their transaction counterparties, take corresponding measures, and report to the anti-money laundering administrative department.

Article 42 — When engaging in the prescribed specific business, specific non-financial institutions shall, with reference to the relevant provisions of this Chapter on the performance of anti-money laundering obligations by financial institutions, perform anti-money laundering obligations according to their industry characteristics, business scale, and money laundering risk situation.

Chapter IV — Anti-Money Laundering Investigation

Article 43 — Where the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city discover suspicious transaction activities suspected of money laundering or other acts in violation of this Law that require investigation and verification, they may, with the approval of the person in charge of the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city, issue

investigation notices to financial institutions and specific non-financial institutions and carry out anti-money laundering investigations.

Where an anti-money laundering investigation carried out by the anti-money laundering administrative department involves specific non-financial institutions, it may, when necessary, request the relevant competent departments of specific non-financial institutions to provide assistance.

Financial institutions and specific non-financial institutions shall cooperate with anti-money laundering investigations and truthfully provide relevant documents and materials within the prescribed time limit.

Investigators shall be no fewer than two persons and shall present their law enforcement credentials and the investigation notice; where the investigators are fewer than two persons or fail to present their law enforcement credentials and the investigation notice, financial institutions and specific non-financial institutions shall have the right to refuse the investigation.

Article 44 — When carrying out anti-money laundering investigations, the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city may take the following measures:

- (1) questioning the relevant personnel of financial institutions and specific non-financial institutions and requiring them to explain the situation;
- (2) consulting and copying the account information, transaction records, and other relevant materials of the investigated persons;
- (3) sealing documents and materials that may be transferred, concealed, tampered with, or damaged.

Records of questioning shall be made. The records of questioning shall be handed over to the person questioned for checking. Where there are omissions or errors in the records, the person questioned may request supplementation or correction. After the person questioned confirms that the records are correct, he or she shall sign or affix a seal; the investigators shall also sign the records.

When investigators seal documents and materials, they shall, together with the staff members of the financial institution or specific non-financial institution, check and count them clearly, prepare on the spot a list in duplicate, and the list shall be signed or sealed by the investigators and the staff members of the financial institution or specific non-financial institution; one copy shall be handed to the financial institution or specific non-financial institution, and one copy shall be kept in the file for reference.

Article 45 — Where after investigation the suspicion of money laundering still cannot be ruled out or other clues of illegal and criminal activities are discovered, the matter shall be promptly transferred to the organ with jurisdiction. The organ receiving the transfer shall provide feedback on the handling result in accordance with the relevant provisions.

Where a customer transfers the account funds involved in the investigation, the anti-money laundering administrative department of the State Council may, when it deems it necessary and with the approval of its person in charge, take temporary freezing measures.

After receiving the clues, the organ receiving the transfer shall promptly decide whether to continue freezing the funds temporarily frozen in accordance with the preceding paragraph. Where the organ receiving the transfer deems it necessary to continue freezing, it shall take freezing measures in accordance with the relevant provisions of laws; where it deems it unnecessary to continue freezing, it shall promptly notify the anti-money laundering administrative department of the State Council, which shall promptly notify the financial institution to lift the freeze.

The temporary freeze shall not exceed forty-eight hours. Where a financial institution, within forty-eight hours after taking temporary freezing measures in accordance with the requirements of the anti-money laundering administrative department of the State Council, has not received a notice from the relevant state organ to

continue freezing, it shall promptly lift the freeze.

Chapter V — International Cooperation on Anti-Money Laundering

Article 46 — The People's Republic of China shall carry out international cooperation on anti-money laundering in accordance with the international treaties it has concluded or acceded to, or in accordance with the principle of equality and mutual benefit.

Article 47 — The anti-money laundering administrative department of the State Council shall, with the authorization of the State Council, be responsible for organizing and coordinating international cooperation on anti-money laundering, participate in the activities of relevant international organizations on behalf of the Chinese Government, carry out anti-money laundering cooperation with relevant overseas institutions in accordance with the law, and exchange anti-money laundering information.

The relevant state organs shall carry out international cooperation on anti-money laundering within the scope of their duties in accordance with the law.

Article 48 — Judicial assistance involving the prosecution of money laundering crimes shall be handled in accordance with the International Criminal Judicial Assistance Law of the People's Republic of China and the provisions of relevant laws.

Article 49 — In the course of lawfully investigating money laundering and terrorist financing activities, the relevant state organs may, in accordance with the principle of reciprocity or upon consensus reached through consultation with the relevant countries, require overseas financial institutions that have opened correspondent accounts within the territory or have other close financial connections with China to provide cooperation.

Article 50 — Where a foreign state or organization, in violation of the principles of reciprocity and consensus through consultation, directly requires a domestic financial institution to submit customer identity materials and transaction information, or to seize, freeze, or transfer domestic funds and assets, or takes other actions, the financial institution shall not carry out such actions on its own, and shall promptly report to the relevant financial administrative department of the State Council.

Apart from the circumstances prescribed in the preceding paragraph, where a foreign state or organization, based on the needs of compliance supervision, requires a domestic financial institution to provide summary compliance information, business information, and other information, the domestic financial institution may provide or cooperate after reporting to the relevant financial administrative department of the State Council and the relevant state organs.

Where the materials and information prescribed in the preceding two paragraphs involve important data and personal information, the relevant provisions of the State on data security management and personal information protection shall also be complied with.

Chapter VI — Legal Liability

Article 51 — Personnel of the anti-money laundering administrative department and other departments legally charged with anti-money laundering supervision and administration duties who engage in anti-money laundering work and commit any of the following acts shall be given sanctions in accordance with the law:

- (1) carrying out inspection, investigation, or taking temporary freezing measures in violation of provisions;
- (2) divulging state secrets, trade secrets, or personal privacy or personal information learned through anti-money laundering;
- (3) imposing administrative penalties on relevant institutions and personnel in violation of provisions;
- (4) other acts of failing to perform duties in accordance with the law.

Staff members of other state organs who commit the act prescribed in item (2) of the preceding paragraph shall be given sanctions in accordance with the law.

Article 52 — Where a financial institution falls under any of the following circumstances, it shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit; where the circumstances are relatively serious, it shall be given a warning or fined not more than 200,000 yuan; where the circumstances are serious or it fails to make corrections within the time limit, it shall be fined not less than 200,000 yuan but not more than 2,000,000 yuan, and may, according to the situation, be restricted or prohibited from carrying out relevant business within the scope of its duties or upon the suggestion of the relevant financial administrative departments:

- (1) failing to formulate and improve internal control system norms for anti-money laundering in accordance with provisions;
- (2) failing to set up a dedicated institution or designate an internal institution to take the lead in anti-money laundering work in accordance with provisions;
- (3) failing to allocate corresponding personnel according to its business scale and money laundering risk situation in accordance with provisions;
- (4) failing to carry out money laundering risk assessment or improve the corresponding risk management system in accordance with provisions;
- (5) failing to formulate and improve suspicious transaction monitoring standards in accordance with provisions;
- (6) failing to carry out internal audit or social audit for anti-money laundering in accordance with provisions;
- (7) failing to carry out anti-money laundering training in accordance with provisions;
- (8) failing to establish anti-money laundering-related information systems that should be established, or failing to improve anti-money laundering-related information systems in accordance with provisions;
- (9) the person in charge of the financial institution failing to effectively perform anti-money laundering duties.

Article 53 — Where a financial institution commits any of the following acts, it shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit, and may be given a warning or fined not more than 200,000 yuan; where the circumstances are serious or it fails to make corrections within the time limit, it shall be fined not less than 200,000 yuan but not more than 2,000,000 yuan:

- (1) failing to carry out customer due diligence in accordance with provisions;
- (2) failing to preserve customer identity materials and transaction records in accordance with provisions;
- (3) failing to report large-value transactions in accordance with provisions;
- (4) failing to report suspicious transactions in accordance with provisions.

Article 54 — Where a financial institution commits any of the following acts, it shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit and fined not more than 500,000 yuan; where the circumstances are serious, it shall be fined not less than 500,000 yuan but not more than 5,000,000 yuan, and may, according to the situation, be restricted or prohibited from carrying out relevant business within the scope of its duties or upon the suggestion of the relevant financial administrative departments:

- (1) providing services to or conducting transactions with customers whose identities are unknown, opening anonymous accounts or fictitious-name accounts for customers, or opening accounts for customers using the identities of others;
- (2) failing to take corresponding money laundering risk management measures for high money laundering risk situations in accordance with provisions;
- (3) failing to take special preventive measures against money laundering in accordance with provisions;
- (4) inquiring into or divulging relevant information in violation of confidentiality provisions;
- (5) refusing or obstructing anti-money laundering supervision and administration or investigation, or deliberately providing false materials;
- (6) tampering with, forging, or deleting customer identity materials and transaction records without justifiable reasons;
- (7) deliberately evading the performance of anti-money laundering obligations by splitting transactions or other means on its own or in assistance to customers.

Article 55 — Where a financial institution commits the acts prescribed in Articles 53 and 54 of this Law, thereby causing the proceeds of crime and the gains thereof to be concealed or disguised through the institution, or causing the consequences of terrorist financing to occur, it shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit; where the amount involved is less than 10,000,000 yuan, it shall be fined not less than 500,000 yuan but not more than 10,000,000 yuan; where the amount involved is 10,000,000 yuan or more, it shall be fined not less than 20% but not more than two times the amount involved; where the circumstances are serious, it may, according to the situation, be subject to penalties such as restricting or prohibiting its carrying out of relevant business within the scope of its duties or upon the suggestion of the relevant financial administrative departments, or being ordered to suspend business for rectification or having its business license revoked.

Article 56 — Where the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city impose penalties on financial institutions in accordance with Articles 52 through 54 of this Law, they may also, according to the situation, give warnings or fines of not more than 200,000 yuan to the directors, supervisors, senior management personnel, or other persons directly responsible; where the circumstances are serious, they may, according to the situation, impose penalties such as disqualifying them from holding their positions or prohibiting them from engaging in work in the relevant financial industry within the scope of their duties or upon the suggestion of the relevant financial administrative departments.

Where the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city impose penalties on financial institutions in accordance with Article 55 of this Law, they may also, according to the situation, impose fines of not less than 200,000 yuan but not more than 1,000,000 yuan on the directors, supervisors, senior management personnel, or other persons directly responsible; where the circumstances are serious, they may, according to the situation, impose penalties such as disqualifying them from holding their positions or prohibiting them from engaging in work in the relevant financial industry within the scope of their duties or upon the suggestion of the relevant financial administrative departments.

Where the directors, supervisors, senior management personnel, or other persons directly responsible of a financial institution prescribed in the preceding two paragraphs can prove that they have already diligently performed their duties and taken anti-money laundering measures, they may be exempted from penalty.

Article 57 — Where a financial institution takes actions on its own in violation of Article 50 of this Law, it shall be fined not more than 500,000 yuan by the relevant financial administrative department of the State

Council; where the circumstances are serious, it shall be fined not less than 500,000 yuan but not more than 5,000,000 yuan; where losses are caused, it shall also be fined not less than one time but not more than five times the direct economic losses caused. The directors, supervisors, senior management personnel, or other persons directly responsible may be given warnings or fined not more than 500,000 yuan by the relevant financial administrative department of the State Council.

Where an overseas financial institution violates Article 49 of this Law by failing to cooperate with the investigation of the relevant state organs, it shall be penalized by the anti-money laundering administrative department of the State Council in accordance with Articles 54 and 56 of this Law, and may, according to the situation, be included in the list prescribed in item (3) of paragraph 1 of Article 40 of this Law.

Article 58 — Where a specific non-financial institution violates this Law, it shall be ordered by the relevant competent department of specific non-financial institutions to make corrections within a prescribed time limit; where the circumstances are relatively serious, it shall be given a warning or fined not more than 50,000 yuan; where the circumstances are serious or it fails to make corrections within the time limit, it shall be fined not less than 50,000 yuan but not more than 500,000 yuan; the relevant persons in charge may be given warnings or fined not more than 50,000 yuan.

Article 59 — Where organizations and individuals other than financial institutions and specific non-financial institutions fail to perform the obligation of special preventive measures against money laundering in accordance with Article 40 of this Law, they shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit; where the circumstances are serious, organizations shall be given warnings or fined not more than 200,000 yuan, and individuals shall be given warnings or fined not more than 50,000 yuan.

Article 60 — Where a legal person or unincorporated organization fails to submit beneficial owner information to the registration organ in accordance with provisions, it shall be ordered by the registration organ to make corrections within a prescribed time limit; where it refuses to make corrections, it shall be fined not more than 50,000 yuan. Where a legal person or unincorporated organization submits false or untruthful beneficial owner information to the registration organ, or fails to update beneficial owner information in a timely manner in accordance with provisions, it shall be ordered by the anti-money laundering administrative department of the State Council or its dispatched offices at or above the level of a districted city to make corrections within a prescribed time limit; where it refuses to make corrections, it shall be fined not more than 50,000 yuan.

Article 61 — The anti-money laundering administrative department of the State Council shall comprehensively consider such factors as the business scale of financial institutions, the implementation of internal control systems, the degree of diligence, the duration of the illegal acts, the degree of harm, and the rectification situation, and formulate the discretionary benchmarks for the relevant administrative penalties under this Law.

Article 62 — Where a violation of this Law constitutes a crime, criminal liability shall be pursued in accordance with the law.

Where money laundering crimes are committed through the use of financial institutions or specific non-financial institutions or through illegal channels, criminal liability shall be pursued in accordance with the law.

Chapter VII — Supplementary Provisions

Article 63 — The following institutions established within the territory shall perform the anti-money laundering obligations of financial institutions prescribed in this Law:

- (1) financial institutions in the banking, securities, fund, futures, insurance, and trust industries;
- (2) non-bank payment institutions;
- (3) other institutions engaged in financial business determined and published by the anti-money laundering administrative department of the State Council.

Article 64 — The following institutions established within the territory shall perform the anti-money laundering obligations of specific non-financial institutions prescribed in this Law:

- (1) real estate development enterprises or real estate intermediary institutions providing housing sales and housing sale and purchase brokerage services;
- (2) accounting firms, law firms, and notary institutions that accept entrustment to handle the sale and purchase of real estate on behalf of clients, manage funds, securities, or other assets on behalf of clients, manage bank accounts or securities accounts on behalf of clients, raise funds for the establishment and operation of enterprises, and act as agents in the sale and purchase of business entities;
- (3) dealers engaging in spot trading of precious metals and gemstones above the prescribed amount;
- (4) other institutions required to perform anti-money laundering obligations as determined by the anti-money laundering administrative department of the State Council in conjunction with the relevant departments of the State Council according to the money laundering risk situation.

Article 65 — This Law shall come into force on January 1, 2025.

Disclaimer: This English translation is provided for general reference and informational purposes only. It is an unofficial translation of the original Chinese text and is not a legal document. In the event of any discrepancy, the official Chinese version published by the National People's Congress shall prevail. This translation does not constitute legal advice, and readers should consult qualified professionals regarding specific legal matters.