Regulations of the People’s Republic of China on the Administration of Renminbi

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Design and Printing 2

Chapter III — Issuance and Withdrawal 2

Chapter IV — Circulation and Protection 4

Chapter V — Penalty Provisions 5

Chapter VI — Supplementary Provisions 6

Issued by Decree No. 280 of the State Council of the People's Republic of China on February 3, 2000; amended for the first time in accordance with the Decision of the State Council on Amending Certain Administrative Regulations on July 29, 2014; amended for the second time in accordance with the Decision of the State Council on Amending and Repealing Certain Administrative Regulations on March 19, 2018

Effective: May 1, 2000

Table of Contents

- Chapter I — General Provisions
- Chapter II — Design and Printing
- Chapter III — Issuance and Withdrawal
- Chapter IV — Circulation and Protection
- Chapter V — Penalty Provisions
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Regulations are formulated in accordance with the Law of the People's Republic of China on the People's Bank of China for the purpose of strengthening the administration of the Renminbi, safeguarding the credibility of the Renminbi, and stabilizing the financial order.

Article 2 — For the purposes of these Regulations, "Renminbi" means the currency lawfully issued by the People's Bank of China, including banknotes and coins.

Activities such as the design, printing, issuance, circulation and withdrawal of the Renminbi shall comply with these Regulations.

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

Article 3 — The legal tender of the People's Republic of China is the Renminbi. In the payment of all public and private debts within the territory of the People's Republic of China, no entity or individual may refuse to accept the Renminbi.

Article 4 — The unit of the Renminbi is the yuan (yuan), and the fractional units of the Renminbi are the jiao and the fen. One yuan is equal to ten jiao, and one jiao is equal to ten fen.

The Renminbi shall be paid according to its denominations.

Article 5 — The People's Bank of China is the competent authority of the state for the administration of the Renminbi and is responsible for organizing the implementation of these Regulations.

Article 6 — Every entity and individual shall take good care of the Renminbi. Damaging the Renminbi and impeding the circulation of the Renminbi are prohibited.

Chapter II — Design and Printing

Article 7 — New issues of the Renminbi shall be designed under the organization of the People's Bank of China and submitted to the State Council for approval.

Article 8 — The Renminbi shall be printed by specialized enterprises designated by the People's Bank of China.

Article 9 — Enterprises printing the Renminbi shall print the Renminbi in accordance with the Renminbi quality standards and printing plans formulated by the People's Bank of China.

Article 10 — Enterprises printing the Renminbi shall deliver all qualified Renminbi products to the Renminbi issuance vaults of the People's Bank of China, and shall destroy all substandard Renminbi products in accordance with the provisions of the People's Bank of China.

Article 11 — The original plates and original dies used for printing the Renminbi shall be sealed and stored by the People's Bank of China after they are no longer in use.

Article 12 — Important matters such as the special materials, techniques, processes and specialized equipment for printing the Renminbi are state secrets. Enterprises printing the Renminbi and the relevant personnel shall keep state secrets; without the approval of the People's Bank of China, no entity or individual may provide them to outsiders.

Article 13 — Except for the enterprises designated by the People's Bank of China to print the Renminbi, no entity or individual may develop, imitate, introduce, sell, purchase or use the anti-counterfeiting materials, anti-counterfeiting techniques, anti-counterfeiting processes or specialized equipment peculiar to the printing of the Renminbi. The relevant administrative measures shall be separately formulated by the People's Bank of China.

Article 14 — Specimen Renminbi are standard samples for testing the printing quality of the Renminbi and identifying the authenticity of the Renminbi, and shall be printed by enterprises printing the Renminbi in accordance with the provisions of the People's Bank of China. Specimen Renminbi shall bear the words "specimen" overprinted on them.

Chapter III — Issuance and Withdrawal

Article 15 — The Renminbi shall be issued exclusively by the People's Bank of China.

Article 16 — The issuance of new issues of the Renminbi by the People's Bank of China shall be submitted to the State Council for approval.

The People's Bank of China shall publicly announce the issuance time, denominations, designs, styles, specifications, principal color scheme and main features of new issues of the Renminbi.

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

The People's Bank of China shall not pay new issues of the Renminbi to financial institutions before the announcement of the issuance of such new issues is published.

Article 17 — Where the printing materials, techniques or processes of the Renminbi need to be changed for anti-counterfeiting or other reasons, the change shall be decided by the People's Bank of China.

The People's Bank of China shall publicly announce the issuance time, denominations and main features of the Renminbi after such changes.

The People's Bank of China shall not pay the changed Renminbi to financial institutions before the announcement of the issuance of such changed Renminbi is published.

Article 18 — The People's Bank of China may issue commemorative coins as needed.

Commemorative coins are Renminbi issued in limited quantities with a specific theme, including ordinary commemorative coins and precious-metal commemorative coins.

Article 19 — The themes, denominations, designs, materials, styles, specifications, issuance quantities and issuance times of commemorative coins shall be determined by the People's Bank of China; provided, however, that where the theme of a commemorative coin involves a major political or historical subject, it shall be submitted to the State Council for approval.

The People's Bank of China shall publicly announce the themes, denominations, designs, materials, styles, specifications, issuance quantities and issuance times of commemorative coins.

The People's Bank of China shall not pay commemorative coins to financial institutions before the announcement of the issuance of such commemorative coins is published.

Article 20 — The People's Bank of China shall establish Renminbi issuance vaults and establish branch vaults in its branch offices, which shall be responsible for the safekeeping of the Renminbi issuance funds. The director of each Renminbi issuance vault shall be held by the governor of the People's Bank of China at the corresponding level.

Renminbi issuance funds are the Renminbi that have not yet entered circulation and are kept in the Renminbi issuance vaults of the People's Bank of China.

The allocation of Renminbi issuance funds shall be handled in accordance with the provisions of the People's Bank of China. No entity or individual may, in violation of the provisions, use Renminbi issuance funds, or interfere with or obstruct the allocation of Renminbi issuance funds.

Article 21 — The cessation of circulation of a specific edition of the Renminbi shall be submitted to the State Council for approval and announced by the People's Bank of China.

Financial institutions handling Renminbi deposit and withdrawal business shall, in accordance with the provisions of the People's Bank of China, exchange the Renminbi withdrawn from circulation and deposit such Renminbi with the local People's Bank of China.

The People's Bank of China shall not pay Renminbi withdrawn from circulation to financial institutions, and financial institutions shall not pay out such Renminbi.

Article 22 — Financial institutions handling Renminbi deposit and withdrawal business shall, in accordance with the provisions of the People's Bank of China, exchange damaged and defaced Renminbi for the public free of charge, sort out damaged and defaced Renminbi, and deposit the same with the local People's Bank of China.

The People's Bank of China shall not pay damaged and defaced Renminbi to financial institutions, and financial institutions shall not pay out such Renminbi.

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

Article 23 — Renminbi withdrawn from circulation and damaged and defaced Renminbi shall be withdrawn and destroyed by the People's Bank of China. The specific measures therefor shall be formulated by the People's Bank of China.

Chapter IV — Circulation and Protection

Article 24 — Financial institutions handling Renminbi deposit and withdrawal business shall, on the principle of reasonable need, handle the business of regulating the mix of Renminbi denominations.

Article 25 — Illegally buying and selling Renminbi in circulation are prohibited.

The buying and selling of commemorative coins shall comply with the relevant provisions of the People's Bank of China.

Article 26 — The following acts that damage the Renminbi are prohibited:

(1) intentionally damaging the Renminbi;

(2) producing, imitating or buying and selling designs of the Renminbi;

(3) using designs of the Renminbi in publicity materials, publications or other commodities without the approval of the People's Bank of China; or

(4) other acts that damage the Renminbi as prescribed by the People's Bank of China.

The designs of the Renminbi mentioned in the preceding paragraph include the designs of the Renminbi that are enlarged, reduced, or of the same size.

Article 27 — Specimen Renminbi are prohibited from circulation.

The administrative measures for specimen Renminbi shall be formulated by the People's Bank of China.

Article 28 — No entity or individual may print or issue token coupons or tickets to replace the Renminbi in circulation on the market.

Article 29 — A limit administration system shall be applied to the carrying of Renminbi by Chinese citizens entering or leaving the country and by foreigners entering or leaving the country, and the specific limits shall be prescribed by the People's Bank of China.

Article 30 — Counterfeiting or altering the Renminbi is prohibited. Selling or purchasing counterfeit or altered Renminbi is prohibited. Smuggling, transporting, holding or using counterfeit or altered Renminbi is prohibited.

Article 31 — Entities and individuals holding counterfeit or altered Renminbi shall promptly hand them over to the People's Bank of China, the public security authorities, or financial institutions handling Renminbi deposit and withdrawal business; upon discovering that another person holds counterfeit or altered Renminbi, they shall immediately report to the public security authorities.

Article 32 — Upon discovering counterfeit or altered Renminbi, the People's Bank of China and the public security authorities shall confiscate the same, affix a seal bearing the words "counterfeit currency", and register them in a register; where the holder disagrees with the authenticity of the Renminbi confiscated by the public security authorities, the holder may apply to the People's Bank of China for identification.

The public security authorities shall deliver the confiscated counterfeit or altered Renminbi to the local People's Bank of China.

Article 33 — Where a financial institution handling Renminbi deposit and withdrawal business discovers counterfeit or altered Renminbi in relatively large quantities, or discovers counterfeit Renminbi of a new issue, or has other clues about the manufacturing and trafficking of counterfeit or altered Renminbi, it shall immediately report to the public security authorities; where the quantity is relatively small, two or more staff

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

members of the financial institution shall, in the presence of the parties, seize the same, affix a seal bearing the words "counterfeit currency", register them in a register, issue to the holder a seizure receipt uniformly printed by the People's Bank of China, and inform the holder that the holder may apply for identification to the People's Bank of China or to the business offices of wholly state-owned commercial banks authorized by the People's Bank of China. The specific measures for the seizure and identification of counterfeit or altered Renminbi shall be formulated by the People's Bank of China.

Financial institutions handling Renminbi deposit and withdrawal business shall deliver the seized counterfeit or altered Renminbi to the local People's Bank of China.

Article 34 — The People's Bank of China and the business offices of wholly state-owned commercial banks authorized by the People's Bank of China shall provide, free of charge, the service of identifying the authenticity of the Renminbi.

Where Renminbi bearing a seal with the words "counterfeit currency" are identified as genuine, they shall be exchanged at face value by the People's Bank of China or the business offices of wholly state-owned commercial banks authorized by the People's Bank of China; where they are identified as counterfeit, they shall be confiscated by the People's Bank of China or the business offices of wholly state-owned commercial banks authorized by the People's Bank of China.

The business offices of wholly state-owned commercial banks authorized by the People's Bank of China shall deliver the confiscated counterfeit or altered Renminbi to the local People's Bank of China.

Article 35 — Financial institutions handling Renminbi deposit and withdrawal business shall take effective measures to prevent counterfeit or altered Renminbi from being paid out.

Financial institutions handling Renminbi deposit and withdrawal business shall provide, free of charge, the service of identifying the authenticity of the Renminbi at their business premises.

Article 36 — Counterfeit and altered Renminbi shall be destroyed by the People's Bank of China on a unified basis.

Article 37 — Instruments for identifying counterfeit Renminbi shall be produced in accordance with the national standards.

The national standards for instruments for identifying counterfeit Renminbi shall be formulated by the People's Bank of China in conjunction with the relevant departments, and the People's Bank of China shall assist in organizing their implementation.

Article 38 — The Renminbi may not be circulated under any of the following circumstances:

(1) damaged or defaced Renminbi that cannot be exchanged; or

(2) Renminbi withdrawn from circulation.

Chapter V — Penalty Provisions

Article 39 — Where an enterprise printing the Renminbi or its relevant personnel commit any of the following acts, the People's Bank of China shall give a warning, confiscate the illegal gains, and impose a fine of not less than one time and not more than three times the illegal gains, or, where there are no illegal gains, impose a fine of not less than RMB 10,000 and not more than RMB 100,000; and disciplinary sanctions shall be imposed in accordance with the law on the persons directly in charge and other persons directly responsible:

(1) printing the Renminbi otherwise than in accordance with the Renminbi quality standards and printing plans formulated by the People's Bank of China;

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

(2) failing to deliver all qualified Renminbi products to the Renminbi issuance vaults of the People's Bank of China;

(3) failing to destroy all substandard Renminbi products in accordance with the provisions of the People's Bank of China; or

(4) without the approval of the People's Bank of China, providing to outsiders the special materials, techniques, processes or specialized equipment for printing the Renminbi or other state secrets.

Article 40 — Where the provisions of Article 13 of these Regulations are violated, the administrative authorities for industry and commerce and other relevant administrative law-enforcement authorities shall give a warning, confiscate the illegal gains and illegal property, and impose a fine of not less than one time and not more than three times the illegal gains, or, where there are no illegal gains, impose a fine of not less than RMB 20,000 and not more than RMB 200,000.

Article 41 — Where a financial institution handling Renminbi deposit and withdrawal business violates the provisions of the second and third paragraphs of Article 21 and the provisions of Article 22 of these Regulations, the People's Bank of China shall give a warning and impose a fine of not less than RMB 1,000 and not more than RMB 5,000; and disciplinary sanctions shall be imposed in accordance with the law on the persons directly in charge and other persons directly responsible.

Article 42 — Where the Renminbi is intentionally damaged, the public security authorities shall give a warning and impose a fine of not more than RMB 10,000.

Article 43 — Where the provisions of Article 25, item (2) or item (4) of the first paragraph of Article 26 of these Regulations are violated, the administrative authorities for industry and commerce and other relevant administrative law-enforcement authorities shall give a warning, confiscate the illegal gains and illegal property, and impose a fine of not less than one time and not more than three times the illegal gains, or, where there are no illegal gains, impose a fine of not less than RMB 1,000 and not more than RMB 50,000.

The administrative authorities for industry and commerce and other relevant administrative law-enforcement authorities shall destroy the illegally used designs of the Renminbi.

Article 44 — Where a financial institution handling Renminbi deposit and withdrawal business or a business office of a wholly state-owned commercial bank authorized by the People's Bank of China violates the provisions of Articles 33, 34 and 35 of these Regulations, the People's Bank of China shall give a warning and impose a fine of not less than RMB 1,000 and not more than RMB 50,000; and disciplinary sanctions shall be imposed in accordance with the law on the persons directly in charge and other persons directly responsible.

Article 45 — Where the People's Bank of China, the public security authorities, the administrative authorities for industry and commerce or their staff violate the relevant provisions of these Regulations, administrative sanctions shall be imposed in accordance with the law on the persons directly in charge and other persons directly responsible.

Article 46 — Where the provisions of the third paragraph of Article 20, item (3) of the first paragraph of Article 26, Article 28 or Article 30 of these Regulations are violated, penalties shall be imposed in accordance with the relevant provisions of the Law of the People's Republic of China on the People's Bank of China; where the violation of Article 30 of these Regulations constitutes a crime, criminal liability shall be pursued in accordance with the law.

Chapter VI — Supplementary Provisions

Article 47 — These Regulations shall come into force on May 1, 2000.

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/

Disclaimer: This translation is provided for informational purposes only and is not an official translation. In the event of any discrepancy between this English version and the official Chinese text, the official Chinese text shall prevail. This translation does not constitute legal advice.

Source: https://www.danyoungcpa.com/regulations-peoples-republic-china-renminbi-administration-2018/