Regulations on the Monetary Policy Committee of the People’s Bank of China

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

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Chapter I — General Provisions

Article 1 — These Regulations are formulated in accordance with the provisions of the Law of the People's Republic of China on the People's Bank of China for the purpose of contributing to the correct formulation of the state's monetary policy.

Article 2 — The Monetary Policy Committee shall uphold the leadership of the Communist Party of China in its work, promote the improvement of the modern monetary policy framework, and report important matters to the Central Committee of the Communist Party of China and the State Council.

Article 3 — The Monetary Policy Committee is the consultative and deliberative body for the People's Bank of China in formulating monetary policy.

The Monetary Policy Committee shall be composed in accordance with these Regulations.

Article 4 — The duties of the Monetary Policy Committee are to discuss the following monetary policy matters and put forward proposals on the basis of a comprehensive analysis of the macroeconomic situation

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and in accordance with the state's macroeconomic regulation and control objectives:

(1) the formulation and adjustment of monetary policy;

(2) the control objectives of monetary policy for a given period;

(3) the application of monetary policy instruments;

(4) important measures relating to monetary policy; and

(5) the coordination of monetary policy with other macroeconomic policies.

Article 5 — The Monetary Policy Committee shall perform its duties through plenary meetings.

Chapter II — Organizational Structure

Article 6 — The Monetary Policy Committee is composed of the following entities and personnel:

the Governor of the People's Bank of China;

one Deputy Secretary-General of the State Council;

one Vice Chairman of the National Development and Reform Commission;

one Vice Minister of Finance;

two Deputy Governors of the People's Bank of China;

the Director of the National Financial Regulatory Administration;

the Chairman of the China Securities Regulatory Commission;

the Commissioner of the National Bureau of Statistics;

the Administrator of the State Administration of Foreign Exchange;

the President of the China Banking Association; and

three expert members.

Any adjustment to the constituent entities and personnel of the Monetary Policy Committee shall be decided by the State Council.

Article 7 — The members of the Monetary Policy Committee include ex officio members and nominated members. The Governor of the People's Bank of China, the Director of the National Financial Regulatory Administration, the Chairman of the China Securities Regulatory Commission and the Administrator of the State Administration of Foreign Exchange are ex officio members of the Monetary Policy Committee. The other members of the Monetary Policy Committee are nominated members, whose candidates shall be nominated by the People's Bank of China or nominated by the People's Bank of China in consultation with the relevant departments, and submitted to the State Council for appointment.

Article 8 — The Monetary Policy Committee shall have one chairman and one vice-chairman. The chairman shall be held by the Governor of the People's Bank of China; the vice-chairman shall be designated by the chairman.

Article 9 — Members of the Monetary Policy Committee shall meet the following conditions:

(1) being generally under 65 years of age and holding the nationality of the People's Republic of China;

(2) being fair, honest, devoted to their duties, and having no record of violations of law or discipline; and

(3) possessing professional knowledge and practical experience in macroeconomics, finance and other fields, and being familiar with the relevant laws, regulations and policies.

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Article 10 — In addition to meeting the conditions prescribed in Article 9 of these Regulations, expert members of the Monetary Policy Committee shall also meet the following conditions:

(1) holding a senior professional technical title, having been engaged in economic and financial work for at least 10 years, and having a relatively high academic level; and

(2) not being a state civil servant, and not holding any position in any profit-making institution.

Article 11 — The term of office of the President of the China Banking Association as a member of the Monetary Policy Committee shall generally not exceed 5 years; the term of office of each expert member shall not exceed 3 years, and the longest term of office shall generally not exceed two terms.

Article 12 — Where a member of the Monetary Policy Committee falls under any of the following circumstances, the People's Bank of China shall submit to the State Council for removal of the member from office:

(1) the member submits a written resignation application;

(2) during the term of office, the member is no longer able to represent the relevant entity as a member of the Monetary Policy Committee due to a change in position;

(3) the term of office has expired in accordance with Article 11 of these Regulations; or

(4) the member fails to perform the obligations of a member, or is unable to be competent for the work of a member for various reasons.

Article 13 — The Monetary Policy Committee shall establish a secretariat as its permanent working body.

Chapter III — Rights and Obligations of Members

Article 14 — Members of the Monetary Policy Committee shall enjoy equal rights and obligations.

Article 15 — Members of the Monetary Policy Committee shall, as needed for the performance of their duties, enjoy the following rights:

(1) to learn about the situation concerning the economy, finance and monetary policy;

(2) to express opinions on the matters discussed by the Monetary Policy Committee; and

(3) to submit proposals to the Monetary Policy Committee on monetary policy matters, and to enjoy the right to vote.

Article 16 — Members of the Monetary Policy Committee shall attend meetings of the Monetary Policy Committee and put forward opinions and proposals on the relevant monetary policy matters.

Article 17 — Members of the Monetary Policy Committee shall scrupulously perform their duties, and shall not abuse their powers or engage in malpractices for personal gain.

Article 18 — Members of the Monetary Policy Committee shall keep state secrets and commercial secrets, comply with the working rules of the Monetary Policy Committee, and shall not disclose monetary policy and relevant information in violation of the provisions.

Where a member of the Monetary Policy Committee discloses state secrets or commercial secrets in violation of the provisions, the member shall be removed from office as a member of the Monetary Policy Committee, and legal liability shall be pursued in accordance with the law.

Article 19 — Members of the Monetary Policy Committee shall not, during their term of office and within one year after leaving office, publicly oppose monetary policy that has been formulated in accordance with statutory procedures.

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Chapter IV — Working Procedures

Article 20 — The Monetary Policy Committee shall adopt a regular meeting system and hold a meeting once every quarter.

The chairman of the Monetary Policy Committee, or more than one third of the members jointly, may propose the convening of an interim meeting.

After a regular meeting of the Monetary Policy Committee is held, the People's Bank of China shall strengthen expectation guidance and market communication through various means.

Article 21 — The secretariat of the Monetary Policy Committee shall deliver the agenda and relevant materials of a meeting to all members before the regular meeting of the Monetary Policy Committee is held.

Article 22 — A meeting of the Monetary Policy Committee may be held only when more than two thirds of the members are present.

Article 23 — Meetings of the Monetary Policy Committee shall record the various opinions in the form of meeting minutes.

A proposal on a monetary policy matter submitted by members of the Monetary Policy Committee shall, upon adoption by a vote of more than two thirds of the members present at the meeting, form a recommendation of the Monetary Policy Committee.

Article 24 — When the People's Bank of China submits to the State Council for approval a decision proposal on interest rates, exchange rates or other important monetary policy matters, it may submit the recommendation or the meeting minutes of the Monetary Policy Committee as an attachment together with the proposal.

Article 25 — The internal working rules of the Monetary Policy Committee shall be formulated by the Monetary Policy Committee.

Chapter V — Supplementary Provisions

Article 26 — These Regulations shall come into force on the date of promulgation.

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