



Tax Alert

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Produced by KPMG in China, this issue brings you the latest tax developments in China.

New rules introduced to strengthen supervision of foreign currency transactions

The People's Bank of China (referred to as PBOC hereinafter) published the Administrative Measures on Reporting for Large-Value Transactions and Suspicious Transactions in Financial Institutions (People's Bank of China Order [2016] No. 3) (referred to as Order No. 3 hereinafter) on 30 December 2016, which shall take effect from 1 July 2017. The issue of Order No. 3 indicates the determination of PBOC in strengthening the regulation and management of the foreign exchange market, cracking down on the illegal behaviors such as money laundering, and safeguarding a healthy and stable foreign exchange market.

In accordance with the requirements of the banks, domestic individual and enterprises should improve their current processes of foreign exchange purchases and foreign currency payments during the document preparation and submission, to avoid the risks incurred from improper operation (including administrative penalties and criminal liabilities). In accordance with Order No. 3, financial institutions should optimize their internal management measures and properly complete the reporting and management of large-value transaction and suspicious transactions.

To read the full article, please click on the button below to [download](#) the pdf.



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16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

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