

## Key Regulatory Obligations

As someone in the China office, you should know that:

- The **China Anti-Money Laundering (“AML”) Law** governs the operations of financial institutions (“FIs”) in China, and should be read in conjunction with **China AML regulations**
- There is **Foreign Currency Control** of 50,000 USD per person per year in China.
- The Chinese Government adopted a **robust cross-border data transfer (“CBDT”) restriction framework**, which outlines, sensitive data such as personal information and business transactional data must remain onshore, unless being approved after comprehensive security assessment reviews.

## Protocols

Article 31 of the China AML Law requires FI must:

- Establish an internal control system of AML according to the relevant provisions
- Establish a special institution of AML or designate an internal department to take charge of AML
- Conduct AML trainings to its employees according to the relevant provisions.

As per Article 32 of the China AML Law, an FI must:

- Perform the obligation of clarifying any clients' identity and not trade with any client who fails to clarify its/his identity or establishes any anonymous account or pseudonymous account therefor
- Preserve the clients' identity materials and transactional records
- Report on large sum transactions or doubtful transactions
- Comply with the relevant confidential provisions
- Agree and cooperate with any AML examination or investigation, and to provide any investigation material and which the material is not purposefully falsified.

## Consequences

The consequences of non-compliance include:

- Fine of RMB 200,000 to RMB 500,000 shall be imposed on the FI; If leads to the consequence of money laundering a fine of RMB 500,000 up to RMB 5,000,000 will be imposed on the FI
- Fine of RMB 10,000 to RMB 50,000 shall be imposed upon FIs directly liable chairman, senior manager or any other person; If leads to the consequence of money laundering a fine of RMB 50,000 up to RMB 500,000 will be imposed upon FIs directly liable chairman, senior manager or any other person
- In the case of particularly serious circumstances, FI can be ordered to suspend its business for rectification or revoke its business license; prohibits the directly liable chairman, senior manager or any other person of the FI from engaging in any financial work or to be stripped of his or her licenses

## The Bottom Line

**You must immediately escalate any suspicious activity by clients, counterparties or employees to your Financial Crime Compliance contact or business-aligned Compliance contact.**

## Contacts

For any questions or concerns please reach out to [gs-fcc-apac-escalations](#) or to your respective [Money Laundering Regional Officer \(MLRO\)](#).

## Additional Information

In addition to the material in this training, the Anti-Bribery Group or your regional compliance officers may inform you of particular local laws, rules and regulations that may impose specific anti-bribery / anti-corruption legal or compliance requirements in China. If applicable, please become familiar with those requirements.