

**BRIEF DETAILS OF DOCUMENTS TO BE OBTAINED FOR  
FX PURCHASE /SALE: CORPORATE**

<b>Annexure -II</b>	
<b>S.No</b>	<b>PARTICULAR</b>
<b>CONVERSION OF FX INTO CNY</b>	
1	<b>CURRENT A/C TRANSACTIONS</b>
1.a	<p><b><u>The sale of any foreign currency in cash for an equivalent amount exceeding USD10,000:</u></b></p> <p>1) Valid identification card 2) Documents certifying the source of the foreign currency in question. Article 11 of SAFE regulation dated 07<sup>th</sup> April, 1996.</p>
1.b	<p><b><u>For refund and compensation related to exports:</u></b></p> <p>1) The foreign exchange sale receipt or notice for payment, 2) Claim form, 3) Claim settlement certificate, 4) Verification certificate indicating the reduced export proceeds. Article 13 of SAFE regulation dated 07<sup>th</sup> April, 1996.</p>
2	<b>CAPITAL A/C TRANSACTIONS</b>
Approval of SAEC approval of related documents	
<b>CONVERSION OF CNY INTO FX</b>	
<b>CURRENT ACCOUNT TRANSACTIONS</b>	
1	<p><b><u>For the import of goods under a documentary letter of credit/payment guarantee:</u></b></p> <p>a) <u>At the time of opening of a letter of credit:</u></p> <p>1) The import contract: 2) Verification Certificate for Foreign Exchange Payments for Imports 3) Application for opening L/C shall be presented</p> <p>b) <u>In case of the purchase of foreign exchange for payments:</u></p> <p>1) Valid commercial documents under the letter of credit for payments shall also be provided. Article 13 of SAFE regulation dated 07<sup>th</sup> April, 1996</p>
2	<p><b><u>For the import of goods under document collection:</u></b></p> <p>1) The import contract, 2) The Verification Certificate for the Foreign Exchange Payment of Imports 3) The payment instrument for imports and other valid commercial documents under documentary collection shall be presented. Article 13 of SAFE regulation dated 07<sup>th</sup> April, 1996</p>
3	<p><b><u>For the import of goods under remittance payment</u></b></p> <p>1) The import contract, 2) The Verification Certificate for the Foreign Exchange Payment of Imports, 3) The invoices, 4) The original form for customs declaration for the imported goods, 5) The original transportation documents shall be presented In case of any discrepancy between the name of the beneficiary on the bill of lading and the business on the customs declaration form and the name of the buyer on the import contract, and agency agreement between these two parties shall be presented.  Article 13 of SAFE regulation dated 07<sup>th</sup> April, 1996</p>

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4	<p><b><u>For an advance payment not exceeding 15 per cent of the total contract value or exceeding 15 per cent but in an amount of less than an equivalent of US100,000:</u></b></p> <p>1) The import contract 2) The Verification Certificate for the Foreign Exchange Payment of Imports shall be presented.</p> <p>Article 11 of SAFE regulation dated 07<sup>th</sup> April,1996</p> <p><b>If the advances are above the foregoing proportion and amount:</b></p> <p>1) Import contracts, 2) Payment guarantees (original copy) issued by banks of the exporters after verified by banks of the importers, 3) Nominal invoices 4) Letters of application for advances. Letters of application should define:</p> <p>a) The reason and process for payments of advances in excess of 15% of the total contract amount; b) Market situation for the imported goods; and c) Expected impacts to prices by the payments of the advances.</p> <p>If the payments would help reduce the prices, applications should be made to the SAEC with remittance certificates, the notices for forex purchase and a specification of the reduction ranges of prices. SAEC shall stamp the notices after verification the authenticity of the import trade.</p> <p>Forex banks shall sell the foree needed or settle the forex from the importers' own accounts according to the notices.</p>
5	<p><b><u>For transportation and insurance expenses for imports:</u></b></p> <p>1) The import contract. 2) The original receipts for transportation and insurance charge shall be presented;</p> <p>Article 13 of SAFE regulation dated 07<sup>th</sup> April,1996</p>
6	<p><b><u>For implicit commissions not exceeding 2 per cent of the total contract value and explicit commissions of 5 per cent or any other amount above the foregoing percentage but below an equivalent of US\$10,000,</u></b></p> <p>1) The import contract or commissions agreement, 2) The foreign exchange sale receipt or notice of payment shall be presented; As far as transportation and insurance expenses for export are concerned, the export contract, the original receipts for transportation and insurance charge shall be presented;</p> <p>Article 13 of SAFE regulation dated 07<sup>th</sup> April,1996</p>

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7	<p><b><u>For the residual payment for imports</u></b></p> <p>1) The import contract 2) Verification Certificate for the Foreign Exchange Payment of Imports 3) Quality Inspection Certificate.</p> <p>Article 13 of SAFE regulation dated 07<sup>th</sup> April,1996</p>
8	<p><b><u>For other subordinate charges, such as charges for the provision of written materials, technical know-how and information,</u></b></p> <p>1) The import or export contract, 2) Verification Certificate for the Foreign Exchange Payment of Imports, Verification Certificate for Export Proceeds, 3) Invoices or receipts for these charges or notes of explanation signed by managers from the import and export businesses</p> <p>Article 13 of SAFE regulation dated 07<sup>th</sup> April,1996</p>
9	<p>For import of intangible assets such as patents, copyrights, trademarks, computer software, etc, the import contract or agreement shall be presented;</p> <p>Article 13 of SAFE regulation dated 07<sup>th</sup> April,1996</p>
10.	<p><b><u>Formalities to be undertaken by overseas establishments in China for remitting their legal incomes in CNY:</u></b> According to "The Regulations on Forex Sale, Purchase and Payment" and other relevant regulations, foreign embassies and consulates in China should charge visa fees, acknowledgment fees and other consulate fees from Chinese citizens (including legal persons) in Renminbi; they may convert such Renminbi incomes into forex at local Bank of China and deposit them in a bank in China or remit them overseas with their official letters and charging lists.</p> <p>The remittance of other proceeds may be made upon the presentation of the registration card issued by the State Administration for Industry and Commerce, or personal IDs and certificates for such proceeds at SAEC authorized designated forex banks.</p>
<b>CAPITAL A/C TRANSACTION</b>	
	Approval of SAEC approval of related documents
<p><b>For other details please refer Notice dated 20<sup>th</sup> June, 1996 issued by People's Bank of China &amp; notice dated 07<sup>th</sup> April, 1996 issued by State Administration of Foreign Exchange.</b></p> <p><b><u>ABOVE REGULATION IS SUBJECT TO CHANGE FROM TIME TO TIME &amp; FOR DETAIL PLEASE CONTACT THE BRANCH.</u></b></p>	