

**Regulatory  
Developments**

**PBC enhances payment and settlement management to prevent crimes on telecom networks**

People's Bank of China (PBC) recently issued the *Notice on Matters Concerning Further Enhancement of Payment & Settlement Management to Prevent New Types of Crimes on Telecommunications Networks (Notice)*. The Notice requires banks, third-party payment agencies and switch and clearing agencies, among other organizations to establish the mechanism for emergency suspension of payment and quick freezing of funds; to reinforce management of real name registration, transfer management and management of designated merchants and acceptance terminals; and implement responsibility investigation mechanism.

To enhance management of the real name registration system, PBC requires banks and payment institutions to strengthen auditing on the opening of corporate payment accounts; verify corporate payment accounts in stock; improve pin security management for payment accounts; reinforce risk management for corporate customers; optimize alteration and canceling services for individual bank accounts; establish the commitment mechanism for opening and using accounts by law; and intensify punishment of such behaviors as trading bank accounts and payment account, and opening an account in a false name

To enhance transfer management, the Notice requires that as of June 1, 2019, if a customer chooses non-real-time transfer service, such as normal handling and overnight handling, banks and payment institutions should clearly specify that the said transfer is not done in real time.

[NIFA News](#) (Currently Only Available in Chinese)

**Macro & Financial  
Market News**

**Broader opening up of the financial sector to boost high-quality economic development**

The opening up of China's financial sector still needs further improving, and greater efforts will be focused on the following five aspects, said PBC Governor Yi Gang. First is combining the opening up of the financial service sector and the financial market with the reform of the RMB exchange rate formation mechanism in a coordinated way. Second is implementing the pre-establishment national treatment plus negative list management system in an all-round manner. Third is optimizing institutional rules concerning the opening up of the financial industry to enhance institutional and systematic openness. Fourth is improving the business environment. Fifth is optimizing financial regulation.

In the future, we'll further optimize the financial risk prevention mechanism. First is giving full play to the planning and coordination role of the Financial Stability and Development Committee under the State Council to plan and control the extent and tempo for various sectors to launch relevant policies, so as to form policy synergy. Second is improving monetary policy and macro prudential policy as the dual-pillar regulation framework, and giving full play to the counter-cyclical regulating effect of the monetary policy to ensure economic operation in a reasonable range. Third is accelerating the construction of infrastructures in the financial sector and making satisfying comprehensive statistics. Fourth is optimizing the resolution regime for financial institutions by exploring ways to establish a market-based, law-based exit mechanism for financial institutions with deposit insurance as platform.

[PBC News](#) (Currently Only Available in Chinese)

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