Global Financial Services Regulatory Guide - China

4. How do the licensing requirements apply to cross-border business in your jurisdiction?

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# How do the licensing requirements apply to cross-border business in your jurisdiction?

With a few exceptions (such as cross-border loans provided by foreign banks to Chinese companies under certain circumstances), a foreign individual or financial institution is not allowed to carry on any “operational activities” in China that may be deemed as a regulated financial business if they do not have the appropriate business presence in China or approval from a competent Chinese regulator. Activities that involve soliciting business or clients for specific products or transactions that are only allowed to be provided by licensed financial institutions in China may be considered as carrying on such regulated business activities in China.

Generally, the supervisory power of PRC regulators would not extend to foreign individuals or institutions. Note, however, that any non-compliance with PRC law by a foreign individual or institution may leave a “bad record” with the authorities and may adversely affect future activities and local affiliates’ (if any) business operations in China.

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