

**Yinfa No.7 [1993], Notice of the People's Bank of China on Provisions for the Implementation
of the Regulations on the Administration of Savings**

In order to implement the *Regulations of the State Council on the Administration of Savings* (hereinafter referred to as the *Regulations*), the People's Bank of China (PBC) has formulated the *Provisions for the Implementation of the Regulations on the Administration of Savings*, which are hereby printed and distributed to you, please make all the preparations and publicity work earnestly.

Article 1 The term “savings deposit” refers to the deposit in Renminbi or foreign currencies that is owned by individuals and is deposited in the savings institutions within the territory of China. No entity may change public money into individual savings deposit. The public money shall encompass any money listed in the accounts of state organs, state-owned enterprises and public institutions; the premium deposit absorbed by all insurance institutions, state-owned enterprises and public institutions; the money falling within the scope of public financial deposit; as well as the cash of state organs, state-owned enterprises and public institutions, etc.

Article 2 The term “savings institutions” refers to the outlets of each bank, urban credit cooperative, rural credit cooperative, and postal enterprise that can provide individual savings deposit services upon approval of the PBC or any of its branches.

Article 3 The *Constitution* protects the ownership of legitimate individual savings deposit from infringement. A savings institution shall, when providing savings services, follow the principles of voluntary deposit and free withdrawal, pay interest and maintain confidentiality of depositors.

Article 4 The PBC is the organ in charge of the savings business of China and responsible for its oversight of the whole country. The PBC can, in light of macro economy, finance as well as the requirements for protecting the interests of depositors, take necessary measures upon approval of the State Council so as to stabilize the savings and finance.

Article 5 Without approval of the PBC, no department, entity or individual may provide individual savings services or quasi-savings services.

Article 6 The establishment of savings institutions shall be governed by the principles of unified planning, reasonable layout, convenience to the masses, the focus on practical results, and ensured safety. Each business management department of the savings institutions shall report the plan for adding the number of savings outlets in the following year to the local branch of the PBC, and the local branch of the PBC shall examine and collect such plans and report them to the Headquarter of

the PBC for examination and approval before the year-end. Each local branch of the PBC shall, according to the approved plan, proceed with the formalities for examination and approval of savings outlets one by one, and uniformly issue financial business permits unless it is otherwise prescribed by the laws or administrative regulations of the State.

Article 7 For the establishment of a savings institution, the following three requirements shall be met: (1) There is a name, an organizational body and a business place for the savings institution; (2) There are four or more employees familiar with savings services, and at least two persons are serving before the counter during business hours; and (3) There are necessary safety protection facilities.

Article 8 All the savings outlets directly conducting savings deposit services shall be the grass-roots bodies of each bank, financial institution or postal enterprise specifically for providing savings services, and have no legal person qualification.

Article 9 Savings agencies shall be the enterprises, organs, schools, military, or other agencies as entrusted by a bank to provide savings services. The launching and management of agency services shall be strictly governed by the relevant provisions in the *Regulations*.

Article 10 Renaming, relocation or merger of a savings institution shall be reported to the local branch of the PBC in advance, and shall not be announced to the general public until it is approved in accordance with prescribed procedures.

Article 11 The business management departments of savings institutions shall be responsible for directly leading and managing its subordinate savings institutions and their savings services; and shall earnestly implement the savings policies of the State and deliver competent supervision and surveillance of its subordinate savings institutions.

Article 12 A savings institution shall provide services during prescribed business hours, and shall not arbitrarily suspend business or shorten business hours.

Article 13 Each savings institution shall guarantee the withdrawal of savings deposit, and shall not refuse it under any pretext.

Article 14 A savings institution shall be governed by the tenets of developing the savings business of China and providing quality services for depositors. Any of the following acts belongs to the “absorption of deposits by unjustifiable means”:

- (1) Absorbing savings deposit by sending out valuable prizes;
- (2) Making various kinds of deposit canvassing payments;
- (3) Making use of ambiguous advertisements for publicity;

(4) Making use of remittance, loans or any other business means to force depositors to deposit money; or

(5) Paying interests, prizes or other fees more than those that should be paid.

Article 15 With respect to the following types of deposit, a savings institution may engage in all or part of them in light of its own conditions:

(1) Demand deposit: the minimum deposit amount is set at 1 yuan, and the savings institution gives the depositor a certificate of deposit, with which the depositor may deposit or withdraw deposit at any time.

(2) Time deposit with lump-sum deposit and lump-sum withdrawal: the minimum deposit amount is usually set at 50 yuan, and the maturities range among three months, half a year, one year, two years, three years and five years. The principal must be deposited at a lump, and the savings institution gives the depositor a certificate of deposit, with which the principal and interest may be withdrawn when due.

(3) Time deposit with installment deposit and lump-sum withdrawal: a fixed amount of money is deposited monthly with usually the minimum amount of 5 yuan, and the maturities range among one year, three years and five years. The deposit amount is set by the depositor, who shall make a deposit once every month. If there is any omission of deposit within the agreed period, the depositor must make up the amount next month. If failed to do so, the interest will be calculated on the real amount of deposit and the real deposit term.

(4) Time deposit with principal deposit and interest withdrawal: the principal is deposited in a single lump sum, whose minimum amount is usually set at 5,000 yuan, and whose maturities range among one year, three years and five years. The savings institution gives the depositor a certificate of deposit, the principal is withdrawn at a lump when due, and the interest is withdrawn by installments upon the strength of the certificate of deposit, which may be withdrawn once in a month or several months according to the stipulations between the depositor and the savings institution. If the depositor does not withdraw interests when due, he may do so at any time thereafter. If the depositor needs to withdraw the principal in advance, the savings institution will calculate the interest for the deposit term according to the provisions on early withdrawal and deduct the excess interest already paid.

(5) Time deposit with lump-sum deposit and installment withdrawal: the principal is deposited in a single lump sum with usually the minimum amount of 1,000 yuan, and the maturities range among

one year, three years and five years. The savings institution gives the depositor a certificate of deposit, with which the depositor may withdraw the principal by installments of once per month, three months or half a year, which can be negotiated between the depositor and the savings institution. The interest is paid when the deposit comes due.

(6) Time-demand optional deposit: the savings institution issues a certificate of deposit for usually a minimum deposit amount of 50 yuan. the certificates of deposit can be divided into two types: registered and unregistered. The loss of a registered certificate may be reported while the loss of an unregistered certificate shall not be reported. The interest for such a type of deposits as deposited after the implementation of *the Regulations* shall be calculated uniformly according to the following provisions: if the length of maturity is not set at the time of deposit and the actual length of maturity is less than three months, the interest is computed according to the actual number of days of the demand deposit; if the actual length of maturity is three months or more but less than half a year, the interest for the whole length of maturity is computed at a rate equal to 60% of that for three-month time deposit of lump-sum deposit and lump-sum withdrawal at the date of withdrawal; if the actual length of maturity is half a year or more but less than one year, the interest for the whole length of maturity is computed at a rate equal to 60% of that for six-month time deposit of lump-sum deposit and lump-sum withdrawal at the date of withdrawal; if the length of maturity is one year or more, regardless of the actual length, the interest for the whole length of maturity is computed at a rate equal to 60% of that for one-year time deposit of lump-sum deposit and lump-sum withdrawal at the date of withdrawal. The interest for such a type of deposits as deposited before the implementation of *the Regulations* shall be calculated according to the former prescriptions.

(7) (Renminbi) time deposit of overseas Chinese: overseas Chinese and compatriots in Hong Kong, Macao and Taiwan remit or carry foreign currencies or foreign exchange (including gold and silver) and sell them to the PBC or various professional banks so as to convert them into Renminbi for the deposit. It must be in the form of time deposit of lump-sum deposit and lump-sum withdrawal with the maturities of one year, three years and five years. The interest of the deposit is calculated at the preferential interest rate as prescribed. The depositor shall complete the depositing formalities within the prescribed time limit upon the strength of a “certificate of foreign exchange conversion” or “certificate of foreign exchange of overseas Chinese”, and the savings institution issues a certificate of deposit, with which the depositor may withdraw the deposit at maturity. If the depositor stipulates the withdrawal by seal, he must present the seal at the time of withdrawal. Early withdrawal shall be

treated according to the provisions on the Renminbi time deposit of lump-sum deposit and lump-sum withdrawal. Such deposit may be withdrawn only in Renminbi and not in any foreign currency, nor may it be remitted to Hong Kong, Macao or Taiwan or abroad. Renewal formalities may be performed after the deposit reaches maturity, and the interest thereof may be deposited with the principal.

Article 16 To engage in any type of savings other than those prescribed in Article 15 of the Provisions, a savings institution shall report to the Headquarter of the PBC for approval. Where a savings institution incorporates a new type or maturity of deposit without approval, it shall be subject to investigation and punishment by the PBC and its branch, and such deposit shall be transferred to the local branch of the PBC. The interest up to maturity of the said deposit after it is transferred to the PBC shall still be assumed by the savings institution.

Article 17 Upon approval by the provincial foreign exchange administrative department, a savings institution may provide foreign currency savings services. The types, interest rates and maturities of individual foreign currency savings deposits as well as the measures for paying interests shall be uniformly regulated by the Headquarter of the PBC. For any other kind of foreign currency savings services, a savings institution shall report to the Headquarter of the PBC for examination and approval.

Article 18 Where a savings institution opens time deposit accounts for depositors, it may, at the request of depositors, process the stipulated or automatic renewal of time deposits when they become due. The specific measures for the stipulated or automatic renewal shall be formulated and promulgated by the department in charge of savings.

Article 19 Upon approval by the provincial branch of the PBC, a savings institution may engage in personal housing savings services. The interest rate of housing savings shall be prescribed by the Headquarter of the PBC. The use of housing savings deposits shall be directly connected to the construction and sales of commercial residential buildings, and shall not be used for other purposes.

Article 20 Upon approval by the PBC or its branch, a savings institution may provide the following financial services:

- (1) Offering and honoring such securities as treasuries, financial bonds and enterprise bonds offered to individual residents;
- (2) Small-amount secured loans on individual time deposit certificates, for which the specific measures shall be drafted by the department in charge of savings institutions, and which shall not be

provided until it is applied to and approved by the provincial branch of the PBC; and
(3) Other financial services as approved.

Other financial services that are conducted by the savings institution upon application and approval and that do not belong to savings services shall be governed by relevant legal provisions of the State.

Article 21 A savings institution may act as an agent for paying wages, collecting house rents and water, electricity and telephone charges, or providing other services, and the agency services shall be determined upon consultation between the department in charge of the savings institution and the trustor.

Article 22 The interest rates of savings deposits shall be uniformly proposed by the PBC, and shall be promulgated after being reported to the State Council for approval, or shall be formulated and promulgated by the PBC upon authorization of the State Council. All savings institutions shall openly list the interest rates of savings deposits and strictly enforce uniform standards for interest rates as prescribed by the State, and shall not arbitrarily change them in any form.

Article 23 For all types of time deposits as deposited before the implementation of *the Regulations*, where the interest rate thereof increases within the originally agreed deposit term, the interest thereof shall be calculated by installments.

Article 24 For all types of time savings deposits as deposited before the implementation of *the Regulations*, where early withdrawal occurs, the interest for the part withdrawn shall be calculated according to the former provisions.

Article 25 For all types of time savings deposits as deposited before the implementation of *the Regulations*, the interest for the overdue part of deposit shall be calculated on the basis of the date of effectiveness of *the Regulations* (March 1, 1993), where the interest for the overdue part before March 1, 1993 shall be calculated according to the former provisions, and the interest for the overdue part after March 1, 1993 shall be calculated with the interest rate for demand deposits quoted on the date of withdrawal.

Article 26 For all types of time savings deposits that are newly deposited after the implementation of *the Regulations*, where the interest rate changes within the originally agreed deposit term, whether it is increased or decreased, the interest thereof shall be calculated and paid at the interest rate as determined on the day when the certificate of deposit was opened, and shall not be calculated by installments.

Article 27 For the time savings deposit that is newly deposited after the implementation of *the*

Regulations, the interest on all or partial early withdrawals shall be calculated at the interest rate of demand deposits quoted on the date of withdrawal, and the interest on the part that is not withdrawn early shall be calculated and paid at the interest rate on the original certificate of deposit.

Article 28 For all types of time savings deposits that are newly deposited after the implementation of *the Regulations*, the interest on the overdue part shall be calculated at the interest rate for demand deposits quoted on the date of withdrawal.

Article 29 For the demand deposit as deposited at any time after the implementation of *the Regulations*, if the interest rate is changed, the interest thereof shall not be calculated by installments, but at the interest rate for demand deposits quoted on the date of interest settlement (June 30 each year shall be the date of interest settlement, the interest as settled shall be consolidated into the principal for calculating interests, and the mantissa behind the digit of yuan shall not be calculated). If an account is closed prior to the date of interest settlement, the interest shall be calculated up to the day prior to the day of the closure at the interest rate for demand deposits quoted on the day of the closure.

Article 30 Where the time deposit is due on a statutory holiday, and which makes the depositor unable to withdraw deposit on time, the depositor may withdraw it at the savings institution on the day prior to the said holiday, for which the formalities shall be performed as those for early withdrawal, while the interest shall be calculated as if the deposit were due.

Article 31 Where a depositor finds any mistake in the interest payment, he shall have the right to inquire of the savings institution about it, and the savings institution shall carry out a timely review for the depositor, and make honest correction if the mistake is confirmed upon verification.

Article 32 Where a savings institution arbitrarily increases interest rates either explicitly or in a disguised form, the local branch of the PBC shall order it to make correction, and deliver public reprimand. The deposit absorbed due to the arbitrary increase of interest rates shall be turned over to the local branch of the PBC for special management and no interest will be granted to such deposit. And the interest for the said deposit upon maturity shall still be paid to the depositors by the said savings institution.

Article 33 Those savings institutions that absorb embezzled funds shall be ordered to make liquidation within a time limit set by the local branch of the PBC. Any savings institution that fails to make liquidation on schedule shall be given a fine of 0.05% of the deposits it has absorbed. A savings agency shall recover the interests or agency charges it has collected from the bank in

addition to a fine of 0.05% of the deposits it has absorbed. Any savings institution that provides services without approval shall be ordered to shut down within a time limit once it is discovered, and the savings deposits it has absorbed shall be transferred to a nearby savings institution as designated by the local branch of the PBC.

Article 34 A depositor shall present his certificate of deposit and his own identity certificate (identity card, household register or military card for a domestic depositor, and passport or residence permit for a foreign depositor, similarly hereinafter) for drawing undue time deposit. If another person acts as an agent for drawing undue time deposit, he shall also show his own identity certificate. Other identity certificates shall be invalid for drawing undue time deposit, and special cases shall be addressed by the department in charge of business operations in the savings institution.

Article 35 Where a depositor requests an early withdrawal, the savings institution may repay the undue time deposit after verifying that the name of the person who opened the certificate of deposit is identical with that on the certificate, provided that the conditions prescribed in the aforementioned Article 34 are fulfilled.

Article 36 The certificates of deposit and passbooks are divided into two types: registered or unregistered. The loss of a registered certificate or passbook may be reported while the loss of the latter shall not be reported.

Article 37 If the certificate of deposit or the passbook of a depositor is lost, he shall, upon the strength of his identity certificate and the relevant information regarding his name, the time, type and amount of deposit, the account number and address, etc., immediately report the loss for payment suspension in written form to the savings institution where he opened the account. The savings institution may accept the loss report only after confirming that the deposit has not been withdrawn. The depositor shall, seven days after the loss is reported, stipulate the time with the savings institution for making up a new certificate of deposit or passbook or withdrawing the deposit. Where the depositor cannot report to the savings institution to proceed with such formalities, he may entrust others, and the trustee shall present his identity certificate. Where the depositor cannot proceed with the formalities in written form, he shall report the loss by telephone, telegraph or letter, and shall make up the formalities for reporting the loss in written form within five days of the original loss report, otherwise the original loss report will be invalidated. In the event that the deposit had been withdrawn before the loss is reported or the loss report is invalidated, the savings institution shall not assume any liability.

Article 38 Where a savings institution finds that any person forges, alters or falsely claim certificates of deposit, it shall retain the certificates of deposit or passbooks and report it to the relevant authority to address the issue.

Article 39 In order to maintain the interests of depositors, the inquiry, freeze or deduction of individual deposits shall be conducted in accordance with the laws and administrative regulations, and no entity shall arbitrarily inquire about, freeze or deduct a client's deposit. Where the people's court, the people's procuratorate, public security organs or national security authorities need to inquire of the savings institution about an individual deposit directly relating to a case for the purpose of investigation, prosecution or trial, the authorities concerned shall submit to the savings institution a formal letter for inquiry as issued by the court, procuratorate, public security organ or national security authorities, etc. at or above the country level, and provide relevant clues on the depositor, such as his name, name of the savings institution, date of deposit; and the savings institution shall not provide original ledgers and shall only provide the photocopy thereof. The inquiring authority shall keep secret the deposit information as provided by the savings institution.

Article 40 A dispute arising from the ownership of a savings deposit that relates to the formalities for transfer or payment of such deposit shall be addressed in a prudent manner:

(1) Where the depositor is deceased, his statutory inheritor shall apply for a certificate on his inheritance right to the notary public office at the locality of the savings institution (where there is no notary public office, the application shall be filed to the people's court of the county or city, similarly hereinafter) in order to prove his identity and his right to withdraw the deposit, and the savings institution shall perform the formalities for transfer or payment of deposit upon the strength of the said certificate. Any dispute arising from the inheritance right to the said deposit shall be adjudicated by the people's court, and the savings institution shall perform the formalities for transfer or payment of deposit upon the strength of the judgment, verdict or mediation paper rendered by the people's court;

(2) Where the depositor is deceased and the holder of the certificate of deposit neither declares the inheritance process to the savings institution nor holds the judgment of the people's court at the locality of the deposit, but directly goes to the savings institution for withdrawing or transferring the deposit of the deceased depositor, the savings institution shall regard it as a normal withdrawal or transfer of deposit, and shall not be responsible for any dispute about inheritance of savings occurred thereinafter;

(3) Where an overseas Chinese or compatriot in Hong Kong, Macao or Taiwan who deposits money in a domestic savings institution or entrusts a bank to keep his deposit is deceased, and his legitimate heir is a Chinese resident, the said heir may, upon the strength of the death certificate of the original depositor, apply to the notary public office at the locality of the savings institution for a certificate on the inheritance right, and the savings institution shall perform the formalities for transfer or payment of deposit upon the strength of the said certificate;

(4) For foreign citizens (including stateless persons) residing in China, the formalities for the transfer or payment of a deposit in a savings institution in China shall be identical with those for Chinese citizens, and shall be performed in accordance with the aforesaid provisions. The said formalities for the deposits of expatriates shall be performed in accordance with the specific provisions in the bilateral consular agreement with China where there is such an agreement;

(5) Where the heir is not a Chinese resident, he may apply to the notary public office of China for a certificate on the inheritance right upon the strength of the death certificate of the original depositor and the certificate of kinship upon authentication of the embassy or consular of China stationed in that country, and the savings institution shall perform the formalities for transfer or payment of deposit upon the strength of the said certificate. In the event that the heir resides in a country that prohibits the remittance of foreign exchange and it is difficult to perform the formalities in accordance with the aforesaid provisions, the heir may apply to a notary public office in China for issuing a certificate on the inheritance right after a local overseas Chinese group, friendly society, patriotic overseas Chinese, or friendly people provide a certificate which is subsequently authenticated by the Chinese assembly or consular stationed in that country. The savings institution shall perform the formalities for transfer or payment of deposit upon the strength of the said certificate. In the event that the heir resides in a country that has not established diplomatic relations with China, the said dispute shall be addressed in light of special circumstances. Whether or not the deposit in the savings institution in China as inherited by the heir residing abroad may be remitted from China shall be decided pursuant to the relevant provisions in the regulations on the foreign exchange administration of China; and

(6) Where there is neither legitimate heir nor will after a depositor is deceased, upon certification by the local notary public office and in accordance with regulations of the authorities of fiscal affairs, the deposit shall be turned over to the national treasury where the depositor was an employee of a wholly state-owned enterprise or public institution, a state organ, or a mass organization, or may be

owned by the collective where the depositor was an employee of a collectively-owned enterprise or public institution. The deposit shall bear no interest in either event.

Article 41 Conduct pursuant to Article 34 of the *Regulations* shall be subject to rectification orders from the PBC and its branches, and may be subject to fines, business suspension for rectification, or revocation of the *Financial Business Permit* in accordance with relevant laws, administrative rules and policies. Where the circumstances are serious enough to constitute a crime, the offender shall be investigated for criminal liability by the relevant department. A relevant party that refuses to accept a decision of penalty may apply for reconsideration in accordance with the provisions of the *Regulations on Administrative Reconsideration*. Where the said party refuses to accept the reconsideration decision, he may bring a lawsuit before the people's court in accordance with the *Administrative Procedure Law of the People's Republic of China*. Where the relevant party neither brings a lawsuit nor performs the decision of reconsideration, the provisions of the *Regulations on Administrative Reconsideration* shall apply.

Article 42 Where a savings institution violates the relevant provisions of the State and infringes on the legitimate rights and interests of depositors and causes losses, the savings institution shall assume the liability of compensation according to law.

Article 43 Any problem encountered during the course of the implementation of *the Regulations* and the *Provisions* shall be timely reflected to the Department of Interest Rates and Savings of the Headquarter of the PBC.

Article 44 The PBC will promulgate the *Detailed Rules for the Implementation of the Regulations on the Administration of Savings* at a proper time according to the conditions on the implementation of *the Regulations* and the *Provisions*.

The People's Bank of China

January 12, 1993