

Appendix: Contents and Scoring Criteria for the Assessment of Banks' Implementation of Regulations on Foreign Exchange Administration (2017)

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
Business compliance (30 points)	Integrated Business (2 points)	2 points	Compliance of foreign exchange businesses of multinational companies	<ol style="list-style-type: none"> 1. Whether the master accounts for domestic and international foreign exchange funds are opened in accordance with the regulations; 2. Whether the receipts and payments through master accounts for domestic and international foreign exchange funds are operated in accordance with the regulations; 3. Whether the quota of funds financed inward and outward through external debt and outward lending is controlled in accordance with the regulations; 4. Whether the settlement and sales of foreign exchange in the master accounts for domestic and international foreign exchange funds are operated in accordance with the regulations; 5. Whether the quota of deposits absorbed through the master accounts for international foreign exchange funds is utilized domestically in accordance with relevant requirements; 6. Whether the banks keep the relevant materials 	<ol style="list-style-type: none"> 1. Where the master accounts for domestic and international foreign exchange funds are not duly opened, if found, 0.5 point is deducted each time; 2. Where the receipts and payments through master accounts for domestic and international foreign exchange funds are not duly operated, if found, 0.5 point is deducted each time; 3. Where the quota of funds financed through external debt and outward lending is not duly controlled, if found, 0.5 point is deducted each time; 4. Where the authenticity of settlement and sales of foreign exchange funds is not duly examined, if found, 0.5 point is deducted each time; 5. Where the master accounts for international foreign exchange funds are not duly utilized domestically, if found, 0.5 point is deducted each time; 6. Where the relevant documents are not duly kept for future reference, if found, 0.5 point is 	<i>Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on the Centralized Operation and Management of the Foreign Exchange Funds of MNCs</i> (Huifa No. 36 [2015])	

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				for further reference in accordance with the regulations.	deducted each time, until the score for this item is zero.		
	Balance of payments (7 points)	7 points	Compliance of handling foreign exchange settlement and sales and other relevant businesses	<p>1. When handling businesses such as spot foreign exchange settlement and sales, RMB and foreign exchange derivative business (including joint handling of RMB and foreign exchange derivative business), whether the banks have got approval or filed with the foreign exchange authorities and possess the basic conditions for handling the foreign exchange settlement and sales and other relevant businesses;</p> <p>2. When handling RMB and foreign exchange derivative business (including joint handling of such business), whether the banks carry out examination of the clients' trading background in terms of authenticity and compliance;</p> <p>3. Where the banks suspend the operation of foreign exchange settlement and sales business or make any changes to the information, such as changing the name of the institution or the business address thereof during the operation of the foreign exchange settlement and sales business, whether the suspension or change is filed with the foreign exchange authorities within</p>	<p>1. Where the banks handle the spot foreign exchange settlement and sales and RMB and foreign exchange derivative business (including joint handling of RMB and foreign exchange derivative business), but have not handled the approval or filing procedures with the foreign exchange authorities in accordance with the regulations; if found, 2 points shall be deducted each time;</p> <p>2. Where the banks are not equipped with the basic conditions as required to handle foreign exchange settlement and sales and other relevant businesses; if found, 1 point shall be deducted each time;</p> <p>3. Where the banks fail to conduct the examination in terms of authenticity while handling RMB and foreign exchange derivative business (including joint handling of such business) for clients; if found, 1 point shall be deducted each time;</p> <p>4. Where the banks suspend operating the foreign exchange settlement and sales business or have the institution name and business address thereof</p>	<p>1. Article 24 and 26, <i>Regulations of the People's Republic of China on Foreign Exchange Administration</i> (Decree No. 532 of the State Council)</p> <p>2. <i>Measures for Administering Foreign Exchange Settlement and Sales by Banks</i> (Decree No. 2 [2014] of the People's Bank of China)</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing Detailed Rules for the Implementation of the Measures for Administering Foreign Exchange Settlement and Sales by Banks</i> (Huifa No. 53 [2014])</p> <p>4. <i>Interim Measures for the Administration of Foreign Currency Exchange Agencies</i> (Decree No. 6 [2003] of the People's Bank of China)</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Improving Foreign Exchange</i></p>	

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				<p>the prescribed time;</p> <p>4. Whether the banks handle the foreign exchange collection, payment, and settlement and sales for self-purpose in accordance with the regulations;</p> <p>5. Whether the banks handle the domestic acquisition business for foreign currency cards in accordance with the regulations;</p> <p>6. Whether the banks handle the filing for the foreign currency exchange agencies in accordance with the regulations, and whether administration of authorized foreign currency exchange agencies is put in place;</p> <p>7. Whether the banks handle relevant businesses involving domestic foreign exchange accounts for overseas institutions in accordance with the regulations;</p> <p>8. Whether the banks launch account opening attestation agent service for overseas branches in accordance with the regulations.</p>	<p>changed during the operation of the foreign exchange settlement and sales business, but do not handle the filing procedures in a timely manner; if found, 0.2 point shall be deducted each time;</p> <p>5. Where the banks fail to handle the foreign exchange collection, payment, and settlement and sales for self-purpose thereof in accordance with the regulations; if found, 1 point shall be deducted each time;</p> <p>6. Where the banks fail to handle the domestic acquisition business for foreign currency cards in accordance with the regulations; if found, 0.5 point shall be deducted each time.</p> <p>7. Where the banks fail to handle the filing for foreign currency exchange agencies in accordance with the regulations; if found, 0.5 point shall be deducted each time;</p> <p>8. Where the banks fail to fulfill their responsibility for managing the foreign currency exchange agencies; if found, 0.5 point shall be deducted each time;</p> <p>9. Where the banks fail to conduct business related to the domestic foreign exchange accounts</p>	<p><i>Administration for Foreign Currency Exchange Agencies</i> (Huifa No. 48 [2007])</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Further Improving the Franchised Individual Domestic and Foreign Currency Exchange Business</i> (Huifa No. 24 [2008])</p> <p>7. <i>Circular of the State Administration of Foreign Exchange on Regulating Administration of Foreign Currency Cards of Banks</i> (Huifa No. 53 [2010])</p> <p>8. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning the Management of Domestic Foreign Exchange Accounts of Overseas Institutions</i> (Huifa No. 29 [2009])</p> <p>9. <i>Circular of the State Administration of Foreign Exchange on Issues Concerning the Joint Handling of Forward Settlement and Sales of Foreign Exchange</i> (Huifa No. 62 [2010])</p> <p>10. <i>Reply of the State Administration of Foreign Exchange to the Request of the</i></p>	

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					of overseas institutions in accordance with the regulations; if found, 0.5 point shall be deducted each time; 10. Where the banks fail to launch the account opening attestation agent service for overseas branches in accordance with the regulations; if found, 0.5 point shall be deducted each time. The score for this item can be deducted until zero.	<i>Bank of Communications to Launch Account Opening Attestation Agent Services for Overseas Branches</i> (Huifu No. 208 [2010])	
	Current account (12 points)	1 point	Compliance of cross-border foreign exchange payment transactions through payment institutions	1. Whether the banks open reserve accounts for payment institutions which are not listed in the directory, and transactions have occurred; 2. Whether the transfer of funds in foreign exchange reserve accounts and foreign exchange settlement and sales exceed the prescribed scope of receipts and payments; 3. Whether the banks handle banknote deposit and withdrawal for payment institutions through foreign exchange reserve accounts.	For items 1 and 2, 1 point shall be deducted for each deal in breach of the regulations, and for item 3, 0.2 point shall be deducted for each deal in breach of the regulations. The score for this item can be deducted until zero.	<i>Circular of the State Administration of Foreign Exchange on the Implementation of the Pilot Program of Cross-border Foreign Exchange Payment Business through Payment Institutions</i> (Huifa No.7 [2015])	
		4 points	Compliance of foreign exchange receipts and payments for trade in goods	1. Whether foreign exchange receipts and payments for trade are handled for enterprises not listed in the directory; 2. With respect to foreign exchange receipts for exports (including trade finance loans) and foreign exchange payments for imports	For items 1- 7, 0.1 point shall be deducted for each deal in breach of the regulations, and for item 8, 0.04 point shall be deducted for each deal in breach of the regulations. The score for this item can be deducted until zero.	1. <i>Circular of the State Administration of Foreign Exchange Concerning Printing and Distributing the Provisions for Foreign Exchange Administration of Trade in Goods</i> (Huifa No. 38 [2012]) 2. <i>Circular of the State Administration of</i>	

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				<p>(including opening letters of credit), whether the authenticity of instruments relevant to export and import transactions for trade and consistency with foreign exchange receipts and payments for trade are reasonably examined according to the classification of enterprises in the directory;</p> <p>3. Whether enterprises' foreign exchange receipts from trade are entered into to-be-inspected accounts of revenue from exports in accordance with the regulations, and receipts and payments through the to-be-inspected accounts are within the prescribed scope;</p> <p>4. Whether settlement of foreign currency banknote into RMB is compliant and instruments are reviewed in accordance with the regulations;</p> <p>5. With respect to foreign exchange payment, opening letters of credit, trade finance loans for export, or foreign exchange settlement or transfer-out of funds in the to-be-inspected accounts for enterprises of Type B, whether electronic data is examined and the quota of foreign exchange receipts and payments is deducted accordingly;</p> <p>6. With respect to foreign exchange receipts and</p>		<p><i>Foreign Exchange on Relevant Issues Concerning Improving Foreign Exchange Administration under the Current Account in Areas under Customs' Special Supervision</i> (Huifa No. 22 [2013])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Improving the Foreign Exchange Administration on the Banks' Trade Financing Business</i> (Huifa No. 44 [2013])</p> <p>4. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Trade in Goods in Border Areas</i> (Huifa No. 12 [2014])</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review</i> (Huifa No. 7 [2016])</p>	

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				<p>payments for trade which shall be registered with foreign exchange authorities in accordance with the regulations, whether the transactions are handled upon the registration forms issued by foreign exchange authorities and the utilization of the registration forms is duly indicated;</p> <p>7. Whether the examination on the authenticity and compliance of trade finance is performed in accordance with the regulations in order to prevent enterprises from obtaining bank loans with fabricated trade background;</p> <p>8. Whether the indications are made in accordance with the regulations and whole sets of original or duplicate copies of relevant instruments are kept.</p>			
		3 points	Examination of the authenticity of the foreign exchange business related to trade in services, current transfers and income	<p>1. Whether the banks review the relevant instruments in accordance with the regulations;</p> <p>2. Whether the banks make an indication on the relevant registration certificates or documents in accordance with the regulations;</p> <p>3. Whether the banks keep relevant instruments in accordance with the regulations.</p>	<p>For item 1, 0.1 point shall be deducted for each deal in breach of the regulations, and for items 2 and 3, 0.04 point shall be deducted for each deal in breach of the regulations.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Duty-free Commodities</i> (Huifa No. 16 [2006])</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Administration of Sales Agents for Foreign Currency Travelers' Cheque</i></p>	

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						<p>(Huifa No. 15 [2004])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Donations by Domestic Institutions</i> (Huifa No. 63 [2009])</p> <p>4. <i>Circular of State Administration of Foreign Exchange on Printing and Distributing of the Regulations for Foreign Exchange Administration on Trade in Services</i> (Huifa No. 30 [2013])</p> <p>5. <i>Announcement of the State Administration of Taxation and State Administration of Foreign Exchange on Issues Concerning the Tax Record-filling for External Payments under Service Trade and Other Items</i> (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange)</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Measures for Managing the Receipts and Payments of Foreign</i></p>	

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						<i>Currency Banknotes by Domestic Institutions</i> (Huifa No. 12 [2015])	
		1 point	Compliance of handling foreign exchange receipts and payments for insurance companies	<p>1. Whether the banks review the relevant instruments in accordance with the regulations;</p> <p>2. Whether the banks handle relevant foreign exchange settlement and sales in accordance with the content approved by foreign exchange authorities;</p> <p>3. Whether the banks keep relevant instruments in accordance with the regulations;</p> <p>4. Whether the banks record the receipts and payments through the foreign exchange funds utilization account under custody.</p>	<p>For items 1 and 2, 0.1 point shall be deducted for each deal in breach of the regulations, and for items 3 and 4, 0.04 point shall be deducted for each deal in breach of the regulations.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on Printing and Issuing Guidelines for Foreign Exchange Administration for Insurance Business</i> (Huifa No. 6 [2015])</p> <p>2. <i>Circular of State Administration of Foreign Exchange on Printing and Distributing of the Regulations for Foreign Exchange Administration on Trade in Services</i> (Huifa No. 30 [2013])</p>	
		2.5 points	Banks' compliance with regulations in handling of individual foreign exchange businesses	<p>1. Whether the banks conduct individual foreign exchange receipts and payments as well as foreign exchange settlement and sales (mainly for large-amount foreign exchange purchase and payment), domestic transfer, foreign exchange accounts, foreign currency banknotes and other foreign exchange businesses in line with relevant provisions on individual foreign exchange administration, strictly follow policies and regulations in conducting authenticity verification and keep relevant materials for future</p>	<p>For item 1, 0.5 point shall be deducted each time, for items 2 and 3, 0.04 point shall be deducted for each deal, and for items 4 and 5, 3 points shall be deducted each time; for items 6, 7, 8, 9, 10, and 11, 1 point shall be deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Measures for the Administration of Individual Foreign Exchange</i> (Decree No. 3 [2006] of the People's Bank of China)</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules on Implementation of the Measures for the Administration of Individual Foreign Exchange</i> (Huifa No. 1 [2007])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange and the General</i></p>	

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				<p>reference;</p> <p>2. Whether the banks provide feedback information pushed by individual foreign exchange business monitoring system in an accurate, complete and timely manner according to the push information feedback requirements;</p> <p>3. Whether the banks submit information on individual settlement and sales of foreign exchange as well as deposits and withdrawal of individual foreign currency banknotes in an accurate and timely manner in line with data collection standards;</p> <p>4. Whether the banks get access to the individual foreign exchange business monitoring system in line with relevant provisions, whether there are such circumstances as unauthorized access by newly-added business channels and obvious defects with the interface programs;</p> <p>5. Whether the banks conduct individual foreign exchange business in cooperation with the remitting institutions, e-commerce platform and payment institution without authorization;</p> <p>6. Whether the banks support the “watch list” management by the SAFE in line with relevant</p>		<p><i>Administration of Customs on Printing and Distributing the Interim Measures for Administration of Carrying Foreign Currency Cash into and out of China (Huifa No. 102 [2003])</i></p> <p><i>4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Operational Rules on Carrying Foreign Currency Cash into and out of China (Huifa No. 21 [2004])</i></p> <p><i>5. Circular of the State Administration of Foreign Exchange on Further Perfecting Administration of Foreign Exchange Settlement and Sales for Individuals (Huifa No. 56 [2009])</i></p> <p><i>6. Circular of the State Administration of Foreign Exchange on Further Improving the Administration of Individual Foreign Exchange (Huifa No. 49 [2015])</i></p>	

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				<p>provisions, including risk prompts for individuals, “watch list” notification, relevant interpretations and inquiries for classified status and other information upon individual requests;</p> <p>7. Whether the banks have assisted individuals with circumventing limit and authenticity management;</p> <p>8. For unusual and suspicious businesses identified such as split foreign exchange settlement and sales by individuals, whether the banks have handled such situations effectively and promptly, and reported to the foreign exchange authorities;</p> <p>9. Whether the banks have assisted the foreign exchange authorities in verifying whether individuals and relevant institutions have circumvented limit management and authenticity management;</p> <p>10. Whether there is any violation of regulations by conducting individual foreign exchange businesses in the period when the contingency plan is enabled;</p> <p>11. Whether the banks have conducted individual foreign exchange settlement and sales business</p>			

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				offline in violation of provisions.			
		0.5 point	Banks' compliance with regulations in handling of foreign exchange accounts	<p>1. Whether the banks open, change, or close foreign exchange accounts under the current account and foreign exchange accounts of insurance institutions in accordance with the regulations;</p> <p>2. Whether an account is cross-used or used in excess of the scope for usage;</p> <p>3. Whether the banks handle the foreign exchange accounts as prescribed and submit the relevant data in accordance with the regulations.</p>	<p>Where the banks fail to conduct business related to the foreign exchange accounts in accordance with the regulations; if found, 0.04 point shall be deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on Retaining Foreign Exchange Income under the Current Account by Domestic Institutions at their own Discretion</i> (Huifa No. 49 [2007])</p> <p>2. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Relevant Issues Concerning Administration of the Foreign Exchange Account under the Current Account of Foreign Embassies and Consulates Stationed in China</i> (Huizongfa No. 114 [2007])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Adjustments of Foreign Exchange Administration Policies under the Current Account</i> (Huifa No. 19 [2006])</p> <p>4. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Conducting Integration and Promotion of Application Portal of Management Information System</i></p>	

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						<p><i>for Foreign Exchange Accounts</i> (Huizongfa No. 87 [2013])</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Measures for Foreign Exchange Administration in Areas under Customs' Special Supervision</i> (Huifa No. 15 [2013])</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Improving Foreign Exchange Administration under the Current Account in Areas under Customs' Special Supervision</i> (Huifa No. 22 [2013])</p> <p>7. <i>Circular of the State Administration of Foreign Exchange on Printing and Issuing Guidelines for Foreign Exchange Administration for Insurance Business</i> (Huifa No. 6 [2015])</p>	
	Capital account (8 points)	4 points	Compliance of foreign exchange business under direct investment	1. Whether account opening, account nature, the scope of receipt and payment, and the time of service conform to those registered with the foreign exchange authorities (banks) or approved by the foreign exchange authorities.	1. Where a bank opens an account without authorization, 0.5 point shall be deducted for each deal; where the opening of an account does not conform to the requirements, 0.2 point shall be deducted for each deal; where the cancellation of	<p>1. <i>Regulations of the People's Republic of China on Foreign Exchange Administration</i> (Decree No. 532 of the State Council)</p> <p>2. <i>Regulations for the Administration of</i></p>	

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				<p>2. Receipt and payment in the capital account under direct investment:</p> <p>(1) With respect to capital, domestic asset realization accounts, preliminary expense accounts, security deposits, reinvestment accounts, overseas asset realization accounts, etc., whether the foreign exchange settlement under direct investment is consistent with relevant administration requirements;</p> <p>(2) Whether foreign exchange funds are recorded in the accounts in accordance with quota management requirements;</p> <p>(3) With respect to liquidation, transfer of shares, advance recovery of investment, etc., whether the foreign exchange purchases and payments under direct investment are consistent with the information registered with foreign exchange authorities (banks);</p> <p>3. Overseas investments:</p> <p>Whether funds for overseas investment and preliminary expenses are remitted overseas according to the foreign exchange registration requirements for overseas investments and information registered with foreign exchange</p>	<p>an account is inconsistent with the requirements, 0.1 point shall be deducted for each deal.</p> <p>2. With respect to capital, domestic asset realization accounts, preliminary expense accounts, security deposit accounts, etc., where the foreign exchange settlement under direct investment is not made in accordance with the regulations, 1 point is deducted for each deal; where funds are not entered into accounts within the quota registered, 0.5 point is deducted for each deal; with respect to liquidation, transfer of shares, advance recovery of investment, etc., where the foreign exchange purchases and payments under direct investment are inconsistent with the information registered with or approved by foreign exchange authorities (banks), 0.5 point is deducted for each deal;</p> <p>3. In case of erroneous remittances of overseas investments, 0.2 point shall be deducted for each deal; with respect of overseas investments, 0.5 point is deducted for each deal not duly registered, and 0.2 point is deducted for each deal not made according to the registration requirements;</p>	<p><i>Settlement, Sales, and Payments of Foreign Exchange</i> (Yinfa No. 210 [1996])</p> <p>3. <i>Regulations for the Administration of Domestic Foreign Exchange Accounts</i> (Yinfa No. 46 [1997])</p> <p>4. Opinions of the Ministry of Construction and Five Other Ministries and Commissions on Standardizing the Admission and Management of Foreign Investment for the Real Estate Market (Jianzhufang No. 171 [2006])</p> <p>5. <i>Measures for the Administration of Individual Foreign Exchange</i> (Decree No. 3 [2006]) of the People's Bank of China and Their Detailed Rules on Implementation (Huifa No. 1 [2007])</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Lending Granted by Domestic Enterprises</i> (Huifa No. 24 [2009]).</p> <p>7. <i>Regulations for Foreign Exchange Administration of Overseas Direct Investments by Domestic Institutions</i></p>	

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				<p>authorities (banks); whether the unused funds for preliminary expenses are repatriated according to the foreign exchange registration requirements for overseas investments and information registered with foreign exchange authorities (banks); whether overseas asset realization accounts are duly opened for proceeds repatriated from overseas capital decrease, transfer of shares and liquidation, and recorded according to the information registered with foreign exchange authorities (banks);</p> <p>4. Overseas loans: whether the funds under overseas loans are remitted outward and inward according to the information registered with foreign exchange authorities;</p> <p>5. Whether the registration of foreign exchange under direct investment is compliant with the requirements of foreign exchange authorities.</p>	<p>4. Where the banks fail to handle the outward and inward remittances of funds under overseas loans based on the registered information, 0.5 point shall be deducted for each deal;</p> <p>5. With respect to foreign exchange registration under direct investment, 1 point is deducted for each deal erroneously registered.</p> <p>The score for this item can be deducted until zero.</p>	<p>(Huifa No. 30 [2009])</p> <p>8. <i>Provisions for the Centralized Operations and Administration of Foreign Exchange Funds of Internal Members of Domestic Enterprises</i> (Huifa No. 49 [2009])</p> <p>9. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Relevant Issues Concerning Regulating the Operations of Cross-border RMB Businesses under the Capital Account</i> (Huizongfa No. 38 [2011])</p> <p>10. <i>Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments</i> (Huifa No. 59 [2012])</p> <p>11. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents</i> (Huifa No.</p>	

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						<p>21 [2013])</p> <p>12. <i>Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies for Foreign Exchange Administration of Direct Investments</i> (Huifa No. 13 [2015])</p> <p>13. <i>Circular of the State Administration of Foreign Exchange Concerning Reform of the Administrative Mode for Foreign Exchange Settlement of Capital of Foreign-Invested Enterprises</i> (Huifa No. 19 [2015])</p>	

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		2 points	Compliance of external debt and external guarantee	<p>1. Opening and change of special accounts for external debt: whether the opening of a special account for external debt in another place and opening and closing of an account for external debt are consistent with relevant requirements;</p> <p>2. Receipts and payments through accounts for external debt: whether each deal of external debt contract registered corresponds to an external debt account, whether funds under external debt have been deposited in the corresponding accounts for external debt, whether excessive funds have been entered, whether funds under external debt are used (including foreign exchange settlement of external debt and direct external payments) for the purposes prescribed in the contracts, whether the provision that the funds in the special accounts for external debt should not be used for RMB pledge loans to corporate borrowers is implemented;</p> <p>3. Management of overseas guarantees under domestic loans: whether the banks handle the contingent liabilities registration for the acceptance of overseas guarantees under domestic loans on time; whether the banks handle the foreign exchange settlement of funds for performance of guarantees without authorization; whether external repayments of principal along with interest are made for the guaranteed parties without authorization after the guarantees are performed but the external debt</p>	<p>1. When an account is opened at another place without approval, 0.5 point is deducted for each deal; when an account is opened incompliant with requirements, 0.1 point is deducted for each deal; when an account is closed incompliant with requirements, 0.1 point is deducted for each deal;</p> <p>2. 0.1 point is deducted for mixed utilization of various accounts of enterprises for external debt; 0.1 point is deducted for each deal erroneously or excessively entered into accounts; 0.2 point is deducted for utilization of funds under external debt for purposes not prescribed in the contracts; 0.2 point is deducted for repayment of RMB debts after the foreign exchange settlement of funds under external debt; 0.5 point is deducted for pledging external debt for RMB loans in violation of regulations;</p> <p>3. Where the banks, when accepting overseas guarantees under domestic loans, handle the foreign exchange settlement of funds for performance of guarantees without authorization, 0.2 point is deducted for each deal; 0.5 point is deducted for each deal of external repayments of principal along with interest without authorization for the guaranteed parties;</p> <p>4. External financing guarantees provided by domestic banks: Where ineligible guarantee is provided, 0.2 point shall be deducted for each deal.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Regulations of the People's Republic of China on Foreign Exchange Administration</i> (Decree No. 532 of the State Council)</p> <p>2. <i>Regulations for the Administration of Settlement, Sales, and Payments of Foreign Exchange</i> (Yinfa No. 210 [1996])</p> <p>3. <i>Regulations for the Administration of Domestic Foreign Exchange Accounts</i> (Yinfa No. 416 [1997])</p> <p>4. <i>Interim Regulations on Statistics and Monitoring of the External Debt</i> (1987) and Detailed Rules on their Implementation (Huizhengfazi No. 6 [1997])</p> <p>5. <i>Measures for the Management of Registration of External Debt</i> (Yinfa No. 19 [2013])</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Releasing the Regulations for Foreign Exchange Administration on Cross-border Guarantee</i> (Huifa No. 29 [2014])</p>	

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		2 points	Compliance of foreign exchange business for portfolio investment	<p>1. The opening of a foreign exchange capital account, the receipts and payments through the said account, and the foreign exchange settlement and sales of non-bank financial institutions (excluding insurance companies):</p> <p>(1) Whether the basic information is duly registered, filed or approved in accordance with requirements of non-bank financial institutions on foreign exchange business. Whether relevant foreign exchange accounts are opened with domestic banks;</p> <p>(2) Whether the nature of the accounts and the scope of the receipts and payments conform to the regulations of the foreign exchange authorities;</p> <p>(3) Whether the banks handle foreign exchange settlement of relevant funds and foreign exchange purchases against relevant documents duly registered, filed or approved.</p> <p>2. The account opening, and foreign exchange receipts and payments, as well as the foreign exchange settlement and sales under the capital account for resident individuals:</p> <p>(1) For domestic individual participating in</p>	<p>Where account opening is inconsistent with the requirements, 0.1 point shall be deducted for each deal; where the change or cancellation of an account is inconsistent with the requirements, 0.1 point shall be deducted for each wrong deal; as for foreign exchange settlement and sales, 0.2 point shall be deducted for each wrong deal; as for entry in an account, 0.1 point shall be deducted for each wrong deal.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Administrative Rules on the Foreign Exchange Business of Non-bank Financial Institutions</i> (January 1, 1993, State Administration of Foreign Exchange)</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Fund Management Companies with Foreign Shares</i> (Huifa No. 44 [2003])</p> <p>3. <i>Regulations for the Administration of Domestic Foreign Exchange Accounts</i> (Yinfa No. 46 [1997])</p> <p>4. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Automotive Finance Companies</i> (Huifa No. 72 [2004])</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules on Implementation of the Measures for the Administration of Individual Foreign Exchange</i> (Huifa No. 1 [2007])</p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>equity incentive plans of overseas listed companies, whether the relevant foreign exchange receipts and payments are duly registered; whether the opening of domestic accounts, foreign exchange purchases and outward remittance of funds are duly registered; whether the foreign exchange settlement and transfer of funds are made in accordance with the regulations;</p> <p>(2) Whether the nature of the accounts and the scope of the receipts and payments conforms with the regulations of the foreign exchange authorities;</p> <p>3. Whether the account opening, foreign exchange receipts and payments as well as foreign exchange settlement and sales under Mutual Fund Connect scheme and other similar securities investments conform to regulations on foreign exchange administration.</p>		<p>6. <i>Reply of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Settlement of Income from B-Share Investments by Domestic Individual Investors</i> (Huifu No. 283 [2007])</p> <p>7. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of Involvement of Domestic Individuals in Equity Incentive Plans of Overseas Listed Companies</i> (Huifa No. 7 [2012])</p> <p>8. Announcement No. 36 [2015] of the People's Bank of China and the State Administration of Foreign Exchange</p>	
	<p>Technology Management (1 point)</p>	<p>1 point</p>	<p>Compliance of application of organization codes and identification</p>	<p>Whether the organization codes and identification codes for financial institutions are applied for and changed in accordance with regulations.</p>	<p>1. Where the banks fail to handle relevant business in accordance with the regulations; if found, 0.1 point shall be deducted each time.</p> <p>2. Where superior banks perform loosened supervision or guidance on establishment or</p>	<p><i>Detailed Rules of the State Administration of Foreign Exchange on Implementation of Management of Standardization of the Information System Codes</i> (Huizongfa No. 131 [2011])</p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
			codes for financial institutions		cancellation of its subordinates, 0.1 point is deducted each time. The score for this item can be deducted until zero.		
Data Quality (40 points)	Integrated Business (2 points)	1 point	Accuracy, timeliness and completeness of data in master accounts for domestic and international foreign exchange funds of multinational companies	<p>1. Whether the information on master accounts for domestic and international foreign exchange funds are reported in accordance with the regulations;</p> <p>2. Whether the balance-of-payments declaration with respect to the centralized receipts and payments and net settlements under the current accounts through a master account for domestic foreign exchange funds is made in accordance with the regulations;</p> <p>3. Whether the data on funds transfer between master accounts for domestic foreign exchange funds and those for international foreign exchange funds are reported in accordance with the regulations.</p>	<p>1. Where the information on master accounts for domestic and international foreign exchange funds are not duly reported, if found, 0.2 point is deducted each time;</p> <p>2. Where declaration of the balance of payments statistics is not duly made, if found, 0.2 point is deducted each time;</p> <p>3. Where the data on funds transfer between master accounts for domestic foreign exchange funds and those for international foreign exchange funds are not duly reported, if found, 0.2 point is deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<i>Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on the Centralized Operation and Management of the Foreign Exchange Funds of MNCs</i> (Huifa No. 36 [2015])	
		1 point	Accuracy, timeliness and completeness of data on special accounts for RMB deposits of	<p>1. Whether the foreign exchange settlement and payment data are submitted to relevant business information system in accordance with the regulations;</p> <p>2. Whether the information on the opening and closing, receipts, payments and balance of the</p>	<p>1. Where the information on foreign exchange settlement and payments are not duly reported to relevant business information system, if found, 0.2 point is deducted each time;</p> <p>2. Where the information on the opening and closing, receipts, payments and balance of the</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on the Centralized Operation and Management of the Foreign Exchange Funds of MNCs</i> (Huifa No. 36 [2015])</p> <p>2. <i>Circular of the State Administration of</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
			multinational companies	accounts is reported in accordance with the regulations; 3. Whether the information on the receipts and payments between the accounts and other domestic RMB accounts is reported in accordance with the regulations.	accounts is not duly reported, if found, 0.2 point is deducted each time; 3. Where the information on the receipts and payments between the accounts and other domestic RMB accounts is not duly reported, if found, 0.2 point is deducted each time. The score for this item can be deducted until zero.	<i>Foreign Exchange on Issuing the Standards Version 1.0 for Collecting Data on Foreign Exchange Transactions by Financial Institutions</i> (Huifa No. 18 [2014]) 3. <i>Circular of the State Administration of Foreign Exchange on Doing Well the Work Related to Adjustments in the Domestic Banks' Foreign-related Receipt and Payment Vouchers and Preparation of the Relevant Information for Submission</i> (Huifa No. 49 [2011])	
	Balance of payments (19 points)	13 points	The accuracy, timeliness, and integrity of the data in the indirect declaration of the balance of payments statistics	Whether the banks report the information in the indirect declaration of the balance of payments statistics in a timely, accurate, and integrated manner.	(I) Accuracy (9 points) 1. Assessment items (1) Misstatement, understatement, or mismatch of the basic information and declaration information on the declaration form for the balance of payments statistics, including transaction code, transaction postscript, currency and amount of receipts/payments (including the amounts of spot exchange, forex settlement/purchases, and other amounts), name of payee/payer, ID number, account number of the receipts/payments, name of the counterpart payee/payer, and name and code	1. <i>Regulations of the People's Republic of China on Foreign Exchange Administration</i> (Decree No. 532 of the State Council) 2. <i>Measures for Declaration of Balance of Payments Statistics</i> (Decree No. 642 of the State Council) 3. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules for the Implementation of the Declaration of Balance of Payments Statistics through</i>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>of the resident country (region) , date of declaration, and method of settlement;</p> <p>(2) Misstatement, understatement, or mismatch of elements on the basic information form about the organization, including organizational code, name of organization, type of ownership, attribute of the industry, resident country (region), whether it is in a special economic zone, home country of foreign investor, domicile/place of business, and competent foreign exchange authority.</p> <p>2. Scoring standards:</p> <p>(1) By setting the average error rate of all banks within the jurisdiction at 80 points, the banks with a zero error rate as 100 points, and the banks with the highest error rate as 60 points, formulas are developed as follows:</p> <p>Error range 1 (error rate < average error rate) = 20/(average error rate - lowest error rate)</p> <p>Error range 2 (error rate > average error rate)= 20/(highest error rate - average error rate)</p> <p>If error rate < the average error rate, the score of the banks= 80 + (the average error rate - the error rate of the banks)× error range 1</p> <p>If error rate > average error rate, the score of the</p>	<p><i>Banks</i> (Huifa No. 27 [2015])</p> <p>4. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Adjusting the Content of the Relevant Vouchers of Domestic Banks for Foreign-related Receipts and Payments</i> (Huizongfa No. 50 [2010])</p> <p>5. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Printing and Distributing the Rules for Inspection of the Declaration of Balance of Payments Statistics through Banks (Interim)</i> (Huizongfa No. 101 [2015])</p> <p>6. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Guidelines for the Declaration of Balance of Payments Statistics through Banks (2016 Version)</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>banks = 80 + (average error rate - error rate of the banks) × error range 2</p> <p>Deducted points of the banks under this item = (100- score of the banks)/100×9 (no deduction shall be deducted for the banks with zero error rate, and 3.6 points deducted for the banks with the highest error rate).</p> <p>Final score of the banks under this item = 9 - deducted points of the banks under this item (see the explanation for details).</p> <p>(2) Based on the scoring, if the amount of a single transaction under trade in goods is found exceeding USD30 million (inclusive) and the amount of transactions under other items is found surpassing USD10 million (inclusive) in the inspection, and the error falls under the category of an incorrect transaction code (calculated based on the conversion rate at the time of the declaration), 0.01 point shall be deducted for each deal.</p> <p>(3) The branches of the provinces (municipalities) that have any subordinate offices shall calculate the final scores of all banks within their respective jurisdiction after calculating the weighted average</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>of the declared amounts of the balance of payments statistics of all banks within the jurisdiction of the subordinate offices.</p> <p>(4) The SAFE may adjust the set average error rate score of all banks within its jurisdiction based on the real situation.</p> <p>(II) Timeliness (2 points)</p> <p>1. Where the banks fail to transmit the basic information in accordance with relevant regulations, leading to an average annual overdue rate higher than zero, 0.01 point shall be deducted for each additional permillage point; if the additional rate is less than one permillage point, the point deducted shall be calculated based on the additional permillage point rounded to two decimal places.</p> <p>Overdue rate of basic information = number of pieces of overdue basic information during the period of assessment/total number of pieces of basic information during the period of assessment.</p> <p>Average annual overdue rate = the sum of the actual overdue rates on a monthly or quarterly basis/times of actual assessment.</p>		
					2. Where the average annual overdue rate for the		

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					<p>number of pieces of declaration information is greater than zero, 0.01 point shall be additionally deducted for each additional permillage point; if the additional rate is less than one permillage point, the point deducted shall be calculated based on the additional permillage point rounded to two decimal places. The score for this item can be deducted until zero.</p> <p>The overdue rate of declaration information = the number of pieces of overdue declaration information during the period of assessment/total number of pieces of declaration information during the period of assessment.</p> <p>Average annual overdue rate = the sum of the actual overdue rates on a monthly or quarterly basis/times of actual assessment.</p> <p>The overdue period of basic/declaration information refers to, in accordance with the <i>Operating Rules on the Declaration of Balance of Payments Statistics through Financial Institutions</i>, the original entry date of banks' basic/declaration information in the system of the SAFE - date of declaration form> prescribed days. Currently the overdue period is 2 and 7 days</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>respectively.</p> <p>(III) Completeness (2 points)</p> <p>1. Where the banks wrongly delete the declaration form, 0.001 point shall be deducted for each wrong deletion;</p> <p>2. Where the banks are found during inspection failing to submit the basic information or declaration information in accordance with the regulations, or submitting information that exceeds the scope of indirect declaration of the balance of payments statistics, 0.01 point shall be deducted for each deal;</p> <p>3. Where the indirect declaration system of the balance of payments statistics fails to back up the data in accordance with the regulations, 0.3 point shall be deducted each time; where data are lost and cannot be recovered due to the banks' failure to back up in accordance with the regulations (force majeure excluded), 1 point shall be deducted each time. The score for this item can be deducted until zero.</p> <p>(IV) Other</p> <p>Where a bank finds an error and voluntarily makes modification before the issuance of the</p>		

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					<p>inspection results by a foreign exchange authority, no points shall be deducted.</p> <p>Notes:</p> <p>The connotation of the scoring formula for the indirect declaration of the balance of payments statistics: By adopting a functional distribution for calculation, the formula sets an average value (80 points), a highest value (100 points), and a lowest value (60 points). The error range refers to the score assigned to the error rate per unit within 20 points. The scores of the banks are obtained by summing up the average score and the deviation scores of the banks (that is, the points of the banks obtained or deducted in 20 points), and finally the scores of the banks is converted to the deducted points to calculate the final standard score. The average error rate (%) = total number of errors within the jurisdiction/total number of declaration forms within the jurisdiction × 100 (obtained by the collection system of the indirect declaration of the balance of payments statistics).</p> <p>E.g.1: The error rate of a bank is 0.4%, the average error rate of all banks within the jurisdiction is 0.5%, and the lowest error rate</p>		

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					<p>within the jurisdiction is 0.1%.</p> <p>Error range 1=20/ (0.5-0.1) =50, score of the bank=80+ (0.5-0.4) ×50=85, deducted points of the bank= (100-85)/100×9=1.35, and final score of the bank = 9-1.35=7.65.</p> <p>E.g.2: The error rate of a bank is 0.7%, the average error rate of all banks within the jurisdiction is 0.5%, and the highest error rate within the jurisdiction is 0.9%.</p> <p>Error range 2=20/ (0.9-0.5) =50, score of the bank=80+ (0.5-0.7) ×50=70, deducted points of the bank= (100-70)/100×9=2.7, and final score of the bank = 9-2.7=6.3.</p>		
		6 points	The accuracy, timeliness, and completeness of the statistical data on the banks' foreign exchange settlement and sales	<p>1. Whether there is a failure to submit complete statistical reports on foreign exchange settlement and sales:</p> <p>(1) missing reports on newly admitted institutions;</p> <p>(2) missing reports on the sub-items, such as missing reports on the foreign exchange settlement and sales of capital on behalf of clients and for self-purposes;</p> <p>(3) the data in the foreign exchange settlement and sales statement are inconsistent with the</p>	<p>1. Where the data in the statistical statement on the foreign exchange settlement and sales are not correctly classified in accordance with the item setting, if found, 0.05 point shall be deducted each time.</p> <p>2. Where erroneous statistics or omissions in the reporting of the foreign exchange settlement and sales are found in the ex post inspection, 0.05 to 0.1 point shall be deducted each time.</p> <p>3. Where the banks fail to transmit the integrated data on foreign settlement and sales to the foreign</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Statistical System on Foreign Exchange Settlement and Sales of Banks</i> (Huifa No.42 [2006])</p> <p>2. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Relevant Issues Concerning Including RMB Purchase and Sales in the Foreign Exchange Settlement and Sales Statistics</i> (Huizongfa No. 99</p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>statistical data in the financial statements of the banks.</p> <p>2. Whether the banks report the statistical data on foreign exchange settlement and sales to the foreign exchange authorities within the prescribed time (the time requirement in the document is the time requirement of the SAFE for the branches, and all branches may, on this basis, make detailed rules of the banks within their respective jurisdictions on the data reporting).</p> <p>3. Whether the statistical data on foreign exchange settlement and sales are accurate, mainly including currencies, amounts, transaction subjects, and classification of the statistical items.</p> <p>4. Whether the transaction data on forwards (including joint handling of forward settlement and sales of foreign exchange), swaps (including currency swap), options (including option portfolio) are timely and accurately reported to foreign exchange authorities.</p>	<p>exchange authorities via the network within the prescribed time, 0.1 point shall be deducted for every half-day delayed.</p> <p>4. For cases where the foreign exchange authority makes special inquiries, 0.5 point shall be deducted for failure to provide feedback each time, 0.05 point shall be deducted for each half-day delayed if the feedback is not provided in a timely manner, and 0.2 point shall be deducted for each time there is inaccurate feedback.</p> <p>5. When the transaction data on forwards (including joint handling of forward settlement and sales of foreign exchange), swaps (including currency swap), options (including option portfolio) are not reported timely, accurately and completely, if found, 0.1 point is deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<p>[2010])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Further Strengthening the Verification of Balance of Payments</i> (Huifa No. 47 [2011])</p> <p>4. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Further Regulating Administration on the Statistics of Banks' Foreign Exchange Settlement and Sales</i> (Huifa No. 54 [2008])</p> <p>5. <i>Circular of the General Affairs Department of the State Administration of Foreign Exchange on Adjusting the Relevant Indicators on Statistical Statements of Banks' Foreign Exchange Settlement and Sales</i> (Huizongfa No. 65 [2014])</p>	
	Current account (6)	1 point	The accuracy, timeliness, and	With respect to pilot operations of cross-border foreign exchange payments through payment	If found, 0.2 point shall be deducted for violation in each deal.	<i>Circular of the State Administration of Foreign Exchange on the Implementation</i>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
	points)		completeness of the statistical data on the pilot operations of cross-border foreign exchange payment through payment institutions	institutions, whether the information on the foreign exchange settlement and sales as well as foreign exchange accounts are not reported completely, accurately (including currency, transaction amount, transaction subjects, and statistical classification) and timely	The score for this item can be deducted until zero.	<i>of the Pilot Program of Cross-border Foreign Exchange Payment Business through Payment Institutions</i> (Huifa No.7 [2015])	
		2 points	The accuracy and timeliness of the data declared on the verification of foreign exchange receipts from and payments for trade in goods	With respect to foreign-related receipts and payments and domestic receipts and payments (including RMB) under the trade in goods of enterprises, whether the special information for verification on receipts and payments under trade in goods is reported on a timely, accurate and complete basis.	Where a late report, erroneous report, or missing report is found, 0.05 point shall be deducted for each item each time; as for reports that hide the truth, 0.2 point shall be deducted for each time. The score for this item can be deducted until zero. Branches of the SAFE may make discretionary adjustment on the weights according to the deals of receipts and payments under trade through banks within their jurisdictions.	1. <i>Circular of the State Administration of Foreign Exchange Concerning Printing and Distributing the Provisions for Foreign Exchange Administration of Trade in Goods</i> (Huifa No. 38 [2012]) 2. <i>Circular of the State Administration of Foreign Exchange on Doing Well the Work Related to Adjustments in the Domestic Banks' Foreign-related Receipt and Payment Vouchers and Preparation of the Relevant Information for Submission</i> (Huifa No. 49 [2011])	
		2 points	The accuracy and timeliness of the data entered and	1. Whether the banks record foreign exchange settlement and sales for individuals under the current and capital accounts into the system item	For item 1 and item 2, 0.04 point shall be deducted for each deal. Where a late report, erroneous report, or missing report is found in	1. <i>Measures for the Administration of Individual Foreign Exchange</i> (Decree No. 3 [2006] of the People's Bank of China)	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
			submitted by the banks on individual foreign exchange administration	<p>by item in accordance with the regulations;</p> <p>2. Whether the data entered are accurate and complete, and if any error occurs, whether the banks carry out a modification, cancellation, or supplementary entry in accordance with the regulations in a timely and accurate manner;</p> <p>3. Whether the information on abnormal and suspicious transactions by individuals such as foreign exchange purchases and payments in large amounts and the “Watch List” of split-up foreign exchange settlement and sales are reported in accordance with the regulations;</p> <p>4. Whether the feedback on abnormal and suspicious transactions by individuals such as foreign exchange purchases and payments in large amounts and split-up are provided in accordance with the regulations;</p> <p>5. Whether there is a missing report, erroneous report (including currency, transaction amount, transaction subject, statistical classification), repeated report or late report of the data on banknote deposit and withdrawal in individual accounts.</p>	<p>item 3 and item 4, 0.2 point shall be deducted for each time. For item 5, if found, 0.2 point shall be deducted for each deal; in case that significant error in the data on banknote deposit and withdrawal is caused by banking systems, if found, 0.5 point is deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<p>2. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules on Implementation of the Measures for the Administration of Individual Foreign Exchange</i> (Huifa No. 1 [2007])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange and the General Administration of Customs on Printing and Distributing the Interim Measures for Administration of Carrying Foreign Currency Cash into and out of China</i> (Huifa No. 102 [2003])</p> <p>4. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Operational Rules on Carrying Foreign Currency Cash into and out of China</i> (Huifa No. 21 [2004])</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Further Perfecting Administration of Foreign Exchange Settlement and Sales for Individuals</i> (Huifa No. 56 [2009])</p> <p>6. <i>Circular of the General Affairs Department</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
						<i>of the State Administration of Foreign Exchange on the Data Reporting of Overseas Financial Assets/Liabilities and Transactions, Individual Foreign Cash Deposit/Withdrawal, and External Debt Owned by Banks (Huizongfa No. 95 [2014])</i>	
		0.5 point	Accuracy and timeliness of data on foreign currency banknote deposit and withdrawal of domestic institutions	<p>1. Whether the data on foreign currency banknote deposit and withdrawal of domestic institutions are recorded in the system on a transaction-by-transaction basis in accordance with the regulations;</p> <p>2. Whether the data entered are accurate and complete, and if any error occurs, whether the banks make correction in accordance with the regulations;</p> <p>3. Whether the data on foreign currency banknote deposit and withdrawal of domestic institutions are reported with omissions, errors, duplication or delay.</p>	<p>For item 1 and item 2, 0.02 point shall be deducted for each deal. For item 3, if found, 0.1 point shall be deducted for each deal; in case that significant error in the data on banknote deposit and withdrawal is caused by systems, if found, 0.5 point is deducted each time.</p> <p>The score for this item can be deducted until zero.</p>	<p>1. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Measures for Managing the Receipts and Payments of Foreign Currency Banknotes by Domestic Institutions</i> (Huifa No. 47 [2015])</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Issuing the Standards Version 1.1 for Collecting Data on Foreign Exchange Transactions by Financial Institutions</i> (Huifa No. 22 [2015])</p>	
		0.5 point	The accuracy and timeliness of the submitted statistical statement on	Whether various reports on insurance businesses are provided in accordance with the regulations.	<p>Where a late report, erroneous report, or missing report is found, 0.1 point shall be deducted for each item and each time.</p> <p>The score for this item can be deducted until zero.</p>	1. <i>Circular of the State Administration of Foreign Exchange on Printing and Issuing Guidelines for Foreign Exchange Administration for Insurance Business</i> (Huifa No. 6 [2015])	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
			foreign exchange for insurance business			2. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Launching Data Submission System for Insurance Business (Huizongfa No. 97 [2015])	
	Capital account (11 points)	11 points	The accuracy and timeliness of the banks' submission of the data under the capital account	1. Data for clients: accuracy and timeliness of the information on registration, account opening and closing, receipts, payments and balance of the accounts, foreign exchange settlement and sales in the accounts, cross-border receipts and payments as well as domestic transfer as reported on behalf of clients by banks; 2. Own data: accuracy and timeliness of data on banks' own capital account.	1. In case of delayed and erroneous reporting, 0.1 point is deducted for each deal; for missing and concealed reporting, 0.2 point shall be deducted for each deal; 2. Branches of the SAFE may make discretionary adjustment on the weights according to the volume and number of transactions under the capital account made by banks within their jurisdictions and the volume of capital account transactions of their own. The score for this item can be deducted until zero.	1. Circular of the State Administration of Foreign Exchange on Doing Well the Work Related to Adjustments in the Domestic Banks' Foreign-related Receipt and Payment Vouchers and Preparation of the Relevant Information for Submission (Huifa No. 49 [2011]) 2. Circular of the State Administration of Foreign Exchange on Promotion of the Capital Account Information System (Huifa No. 17 [2013])	
	Technology Management (2 points)	2 points	The timeliness, accuracy and completeness of account data reporting	1. Whether the information on account opening is absent; 2. Whether the receipts, payments and balance are balanced; 3. The balance of an account to be closed is not zero. 4. Other problems of failing to report according to the provisions identified in on-site inspection	In the whole jurisdiction, 2 points are deducted for the bank with the highest error rate, while 0 point for the bank with the lowest error rate; Points to be deducted for other banks: 2*(error rate/the highest error rate); Error rate = (absence of information on account opening + receipts, payments and balance not balanced + balance of an account to be closed is	1. Circular of the State Administration of Foreign Exchange on Conducting Integration and Promotion of Application Portal of Management Information System for Foreign Exchange Accounts (Huizongfa No. 87 [2013]) 2. Standards Version 1.1 for Collecting Data on Foreign Exchange Transactions	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				or off-site inspection.	not zero + other problems found during the inspection) / total of accounts opened. The score for this item can be deducted until zero.	by <i>Financial Institutions</i> (Huifa No. 18 [2014])	
Administration of internal control and others (30 points)		6 points	Completeness of internal control system and implementation status	<p>(I) Clear responsibilities for internal control Banks shall set up internal control governance and organizational structure with rational division of responsibilities, explicit duties and clear-cut reporting lines based on violation risks of foreign exchange business:</p> <p>1. Whether the senior management is responsible for formulating systematic institutions, process, methods, establishing and refining internal organizational structure to ensure the effective fulfillment of various responsibilities with respect to internal control of violation risks from foreign exchange business;</p> <p>2. Whether a dedicated department has been designated as functional department on internal control for violations in foreign exchange business to lead efforts in coordinated planning of internal control system and organizing implementation as well as inspection and assessment;</p> <p>3. Whether the Internal Audit Department has</p>	<p>1. The internal control system is well-developed and the performance in implementation is satisfactory, $4.5 \leq \text{final score} \leq 6$;</p> <p>2. The internal control system is basically complete, and the performance in implementation is average, and no serious violation event occurs in the assessment period, $1.5 \leq \text{final score} < 4.5$;</p> <p>3. The internal control system is not complete, and relatively serious violation event occurs in the assessment period, $0 \leq \text{the final score} < 1.5$.</p>	Relevant regulations and requirements for foreign exchange administration	<p>Banks will be scored by the General Affairs, Balance of Payments, Current Account, Capital Account, Supervision and Inspection, and Science & Technology Departments of the foreign exchange authorities respectively based on their day-to-day operations.</p> <p>Banks shall</p>

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>conducted audit on the adequacy and effectiveness of the bank's internal control on violation risks from foreign exchange business and has reported problems identified in audit in a timely manner and supervised the rectification;</p> <p>4. Whether specific business departments are responsible for participating in formulation of foreign exchange business system and operating procedures related with its own duties, responsible for strictly implementing relevant system and regulations, for organizing self-inspection and reporting defects existing in internal control and making rectification in a timely manner.</p> <p>(II) Complete, compliant and effective internal control measures</p> <p>Banks shall formulate complete, systematic and compliant management system and business process for each foreign exchange business and conduct evaluation on a regular basis:</p> <p>1. Whether the banks have adequately identified and evaluated the violation risks confronted in operation of each foreign exchange business, adopted proper control measures and</p>			<p>present the report on the implementation of the "internal control and other" assessment requirements to the foreign exchange authorities within 5 working days after the end of the assessment period.</p>

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>implemented standardized and unified business process to ensure the standardized operation;</p> <p>2. Whether the banks have strengthened systematic and automatic control on business activities by effectively integrating internal control process with business operation system and management information system;</p> <p>3. Whether the banks have rationally defined the responsibilities and authorities for each department and post related with foreign exchange business, created standardized descriptions of responsibilities, established corresponding delegation system and clarified relevant reporting lines;</p> <p>4. Whether the banks have formulated relevant systems to standardize behaviors of employees, clarify prohibitive regulations for employees, and established reporting, investigation and punishment mechanism for abnormal behaviors of employees;</p> <p>5. Whether the banks have conducted evaluation on potential violation risks while launching new foreign exchange business and providing new foreign exchange products and services, and</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>formulated relevant management measures;</p> <p>6. Whether the banks have made adjustments to administrative measures for internal control in a timely manner based on development and changes in foreign exchange situations and regulatory rules.</p> <p>(III) Effective guarantee from internal control</p> <p>1. Whether the foreign exchange business operation and management information system can record operation and management information in a timely and accurate manner to ensure continuity and traceability;</p> <p>2. Whether the banks have effective information communication mechanism in place to ensure that the senior management can keep informed of violation risk profile of foreign exchange business in a timely manner, and relevant departments and employees can learn about systems and information related with their duties in time;</p> <p>3. Whether the roles and staff for supervising implementation of regulations on foreign exchange administration are allocated to branches at various levels (the number is</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>allocated based on the foreign exchange trading volume and categories of branches), and the policy training is provided to foreign exchange employees;</p> <p>4. Whether the banks have sound foreign exchange compliance incentive and constraint mechanism in place.</p> <p>(IV) Timely self-evaluation of internal control</p> <p>1. Whether the banks have conducted self-evaluation on the construction, implementation and operation results of internal control system for violation risks from foreign exchange business;</p> <p>2. Whether the internal control assessment is organized and implemented by independent department and whether the written assessment report is prepared;</p> <p>3. The implementation shall be at least on an annual basis, and where material changes in the operational environment for foreign exchange business or other events of substantial impact occur, internal control assessment shall be organized and conducted in a timely manner;</p> <p>4. Whether the assessment report objectively</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>reflects the impact and probability of occurrence of defects existing in internal control, and defines relevant rectification measures and plans.</p> <p>(V) Adequate supervision of internal control</p> <p>1. Whether the internal audit, internal control departments and specific business departments have coordinated with and supported each other based on division of responsibilities, to build supervision and inspection system covering institutions at all levels, all foreign exchange products and all foreign exchange business processes;</p> <p>2. Whether the reporting and information feedback on internal control supervision are smooth;</p> <p>3. Whether staff of relevant departments timely submit reports on internal control defects identified according to specified reporting routes;</p> <p>4. Whether the banks have established rectification mechanism in internal control for foreign exchange business violations, designated responsible department for rectification, and standardized rectification process to ensure the proper implementation of rectification measures.</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
		6 points	Self-Discipline of Foreign Exchange Businesses	<p>(I) Whether customer identities are identified in accordance with the requirements for self-discipline in business operations</p> <ol style="list-style-type: none"> 1. Whether the business system is in place and implemented to know the identity and background of a customer; 2. Whether the business system is in place and implemented for classified management of customers, and whether the customers who do not provide identity information or provide false information are managed; 3. Whether the system for regular updates of customer information is in place and implemented. <p>(II) Whether transactions are reviewed in accordance with the requirements for self-discipline in business operations</p> <ol style="list-style-type: none"> 1. Whether relevant business system is in place and implemented for compliance, authenticity and prudence reviews; 2. Whether different levels of due diligence investigations are performed based on customer's risk level; 3. Whether the banks require customers to 	<ol style="list-style-type: none"> 1. If the performance in implementation is excellent, $4.5 \leq \text{the final score} \leq 6$; 2. If the performance in implementation is average, $1.5 \leq \text{the final score} < 4.5$; 3. If the performance in implementation is poor, $0 \leq \text{the final score} < 1.5$. 		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>provide information or actively collect evidentiary materials based on the risk profile of the business risk profile and customer's risk level.</p> <p>(III) Whether transactions are monitored on an ongoing basis in accordance with the requirements for self-discipline in business operations</p> <ol style="list-style-type: none"> 1. Whether the business system is in place and implemented to continuously and dynamically monitor customer behaviors and capital flows during the business term; 2. Whether the business system is in place and implemented for banks to re-identify customers in an unusual case; 3. Whether the business system is in place and implemented to keep the electronic or written materials and results with regard to customer background, business reviews, and continuous monitoring. <p>(IV) Whether reports are delivered in accordance with the requirements for self-discipline in business operations</p> <ol style="list-style-type: none"> 1. Whether the business system is in place and 			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>implemented to monitor unusual conduct or suspected violation of foreign exchange regulations and report to the foreign exchange authorities;</p> <p>2. Whether the peer review system is in place or implemented.</p> <p>(V) Whether the requirements for self-discipline in business operations are incorporated into the internal control system</p> <p>1. Whether the internal control mechanism is established for the implementation of the self-discipline documents including <i>Bank Foreign Exchange Business Principles</i>, and the requirements are embedded in the internal control system such as risk management, business operations and performance assessment;</p> <p>2. Whether the internal control and compliance system of the institution is established for foreign exchange business, the department leading the implementation of foreign exchange business principles of the institution are clearly defined, and the specific work mechanism is built;</p> <p>3. Whether the internal control system is updated in accordance with the requirements for</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				self-discipline in business operations; 4. Whether the systems are improved in accordance with the requirements for self-discipline in business operations; 5. Whether employees are trained under the theme of self-discipline in business operations.			
		6 points	How the department leading the foreign exchange administration is supported within the bank	(I) Whether the department leading the coordination with foreign exchange administration is in place; (II) Whether the leading department has sufficient authority to ensure its enforcement power; (III) Whether the leading department has performed the following responsibilities: 1. Align day-to-day operations with those of the foreign exchange authorities; 2. Proactive and regular assessment of the changes in foreign exchange administration policies; 3. Timely and accurate communication of the intention of foreign exchange administration policies across the institution; 4. Coordination with relevant departments in the institution for necessary modification of internal	1. If the performance in implementation is excellent, $4.5 \leq \text{the final score} \leq 6$; 2. If the performance in implementation is average, $1.5 \leq \text{the final score} < 4.5$; 3. If the performance in implementation is poor, $0 \leq \text{the final score} < 1.5$.		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>systems and procedures;</p> <p>5. Work with relevant departments in the institution to study, develop and implement the policy measures for foreign exchange administration and monitor the implementation on an ongoing basis.</p>			
		3 points	Assistance with foreign exchange authorities in daily supervision	<p>1. Whether valuable opinions and suggestions have been proposed on improving foreign exchange supervision;</p> <p>2. Where a self-inspection is required for a special inspection by the foreign exchange authorities, whether the banks can earnestly conduct a self-inspection;</p> <p>2. Whether the banks proactively develop supporting foreign exchange products in line with the changes to the foreign exchange administration policies;</p> <p>3. Whether the banks effectively avoid unfair competition and moral risks in cooperating with foreign exchange administration;</p> <p>4. Whether the banks actively support on-site inspection and verification work, including providing workplaces and data or materials required, assisting the staff of foreign exchange</p>	<p>1. If the performance in implementation is excellent, $2.5 \leq \text{the final score} \leq 3$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 2.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>authorities with inquiries and allowing access to business system;</p> <p>5. Whether the banks actively support ad-hoc work assigned by foreign exchange authorities, such as monitoring of foreign exchange purchases and payments in large amounts and unusual foreign exchange purchases and payments.</p>			
		3 points	Internal performance assessment and its linkage with foreign exchange compliance management	<p>1. Whether the <i>Internal Performance Assessment System</i> is reported to the local foreign exchange authority within 10 working days after its formal implementation;</p> <p>2. Whether the weight of indicators related to the implementation of regulations on foreign exchange administration is not less than 15% among the compliance-related indicators for the internal performance assessment.</p>	<p>1. If the performance in implementation is excellent, $2.5 \leq \text{the final score} \leq 3$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 2.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		
		3 points	Strategy and implementation of foreign exchange product pricing	<p>1. Whether the pricing strategy of foreign exchange products reflects the intention of foreign exchange administration policies;</p> <p>2. Whether pricing levers are proactively used to steer customer expectations properly and whether related measures are fairly timely, flexible and practicable;</p>	<p>1. If the performance in implementation is excellent, $2.5 \leq \text{the final score} \leq 3$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 2.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				3. Whether the pricing strategy for foreign exchange products is implemented on a uniform and ongoing basis.			
		3 points	Rectification of violations	<p>1. Whether the annual rectification report is duly reported (prior to March 31), and the report should contain internal performance assessment and its linkage with foreign exchange administration, foreign exchange product pricing strategy and implementation, self-discipline of foreign exchange business, internal support for foreign exchange administration across the bank, position allocation for the compliance with foreign exchange business policies as well as other contents relating to the improvement of internal control management of banks;</p> <p>2. Whether the rectification measures against violations are developed timely and implemented properly;</p> <p>3. Whether the follow-up rectification efforts are proactively communicated;</p> <p>4. Whether the rectifications are effective, and whether similar mistakes are made repeatedly.</p>	<p>1. If the performance in implementation is excellent, $2.5 \leq \text{the final score} \leq 3$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 2.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		
Risk-based Assessment Indicator							

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
Risk-based Assessment Indicator (15 points)	Balance of payments (12 points)	3	Changes in foreign exchange settlement/receipt rate for trade in goods	Whether the foreign exchange settlement/receipt rate under trade in goods has been controlled within reasonable scope in the assessment period.	<p>1. Where the foreign exchange settlement/receipt rate in the current assessment period is higher than that of the previous assessment period, no point will be deducted; where the foreign exchange settlement/receipt rate in the current assessment period is lower than that of the previous period, 0.1 point will be deducted for decrease of every one percentage point, if the decrease is less than one percentage point, it shall be rounded to two decimal points for calculation, and the deduction ends when there is no point left.</p> <p>2. Foreign exchange settlement/receipt rate = amount of foreign exchange settlement by banks for clients under trade in goods/amount of foreign exchange receipt by banks for clients under trade in goods, and the relevant amount refers to the cumulative number in the whole assessment period.</p> <p>3. The statistics are from the indirect declaration system on balance of payments statistics of the SAFE (based on the balance of payments statistical coverage) and the banks' foreign exchange settlement and sales statistics system.</p>		Regarding the risk-based assessment indicator, the assessment shall be carried out by the legal person, and it will not be included in the content of the assessment for the banks' branches. As for banks that have not launched the corresponding businesses, the score for this assessment item shall be the average of the other banks in
		4	Foreign exchange	1. Whether the variation ratio of "spot and	1. When there is cross-border capital inflow		China that have

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
		points	settlement and sales and variation ratio of positions	forward foreign exchange settlement and sales and synthetic positions” are controlled within a reasonable range during the assessment period. 2. The assessment is made based on three scenarios, i.e.: cross-border capital inflow, outflow and basic equilibrium, which shall be decided by foreign exchange authorities at the end of assessment period.	pressure during the assessment period, if the variation ratio of “spot and forward foreign exchange settlement and sales and synthetic positions” is less than the national average level at the same period, no point is deducted; 0.05 point is deducted for every 1 percentage point above the national average level, until zero; when it is less than 1 percentage point, the conversion is made by rounding up to two decimal places. 2. When there is cross-border capital outflow pressure during the assessment period, if the variation ratio of “spot and forward foreign exchange settlement and sales and synthetic positions” is above the national average level at the same period, no point is deducted; 0.05 point is deducted for every 1 percentage point below the national average level, until zero; when it is less than 1 percentage point, the conversion is made by rounding up to two decimal places. 3. Where the cross-border capital flow shows basic equilibrium, such indicator of banks shall be the full score. 4. Variation ratio of spot and forward foreign exchange settlement and sales and synthetic		launched such businesses.

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>positions = (spot and forward foreign exchange settlement and sales and synthetic positions during the assessment period - spot and forward foreign exchange settlement and sales and synthetic positions during the previous assessment period)/absolute value of spot and forward foreign exchange settlement and sales and synthetic positions during the previous assessment period.</p> <p>5. Spot and forward foreign exchange settlement and sales and synthetic positions = banks' difference of foreign exchange settlement and sales + variation of difference of banks' undue forward settlement and sales of foreign exchange - variation in synthetic positions in banks' foreign exchange settlement and sales.</p> <p>Specially, (1) The difference of foreign exchange settlement and sales = The settlement of foreign exchange – The sales of foreign exchange; (2) The data on banks' settlement and sales of foreign exchange include those of the banks themselves and their clients, which are sourced from the banks' monthly report on foreign exchange settlement and sales; (3) Variation in difference of banks' undue forward settlement and sales of</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>foreign exchange = difference of banks' undue forward settlement and sales of foreign exchange at the end of assessment period - difference of banks' undue forward settlement and sales of foreign exchange at the beginning of assessment period; (4) Variation in synthetic positions in banks' foreign exchange settlement and sales = balance of synthetic positions in foreign exchange settlement and sales at the end of assessment period - balance of synthetic positions in foreign exchange settlement and sales at the beginning of assessment period, as provided in the daily reports on synthetic positions in banks' foreign exchange settlement and sales.</p>		
		5 points	<p>Change in the annual ratio of the balance of cross-border receipts/payments to the sum of cross-border receipts/payments</p>	<p>1. Whether changes in the annual ratio of the balance of cross-border receipts/payments to the sum of cross-border receipts/payments (in domestic and foreign currencies) are controlled within a reasonable range during the assessment period. 2. The assessment is made based on three scenarios, i.e.: cross-border capital inflow, outflow and basic equilibrium, which shall be decided by foreign exchange authorities at the</p>	<p>1. When there is cross-border capital inflow pressure during the assessment period, if the variation ratio of "changes in the annual ratio of the balance of cross-border receipts/payments to the sum of cross-border receipts/payments (in domestic and foreign currencies)" is less than the national average level at the same period, no point is deducted; 0.1 point is deducted for every 1 percentage point above the national average level, until zero; when it is less than 1 percentage point,</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				end of assessment period.	<p>the conversion is made by rounding up to two decimal places.</p> <p>2. When there is cross-border capital outflow pressure during the assessment period, if the variation ratio of “changes in the annual ratio of the balance of cross-border receipts/payments to the sum of cross-border receipts/payments (in domestic and foreign currencies)” is more than the national average level at the same period, no point is deducted; 0.1 point is deducted for every 1 percentage point below the national average level, until zero; when it is less than 1 percentage point, the conversion is made by rounding up to two decimal places.</p> <p>3. Where the cross-border capital flow shows basic equilibrium, such indicator of banks shall be the full score.</p> <p>4. Change in the annual ratio of the balance of cross-border receipts/payments to the sum of cross-border receipts/payments (in domestic and foreign currencies) = (balance of cross-border receipts/payments (in domestic and foreign currencies) during the assessment period/sum of cross-border receipts/payments (in domestic and</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>foreign currencies) during the assessment period) - (balance of cross-border receipts/payments (in domestic and foreign currencies) during the previous assessment period / sum of cross-border receipts/payments (in domestic and foreign currencies) during the previous assessment period).</p> <p>Wherein: balance of cross-border receipts/payments (in domestic and foreign currencies) =cross-border receipts (in domestic and foreign currencies) - cross-border payments (in domestic and foreign currencies); sum of cross-border receipts/payments (in domestic and foreign currencies) = cross-border receipts (in domestic and foreign currencies) + cross-border payments (in domestic and foreign currencies).</p> <p>5. The data is from the Indirect Balance-of-Payments Statistics Declaration System of the SAFE, calculated by the coverage of BOP.</p>		
	Capital account (3 points)	3 points	Performance rate of external guarantees	Whether the performance rate of the external guarantees provided by the banks is controlled within the range of reasonable standards.	1. No points shall be deducted if the performance rate is 0-3‰ (inclusive); where the performance rate is above 3‰, 1 point shall be deducted for each additional permillage point (rounded off to		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					1‰) until the score is zero. 2. Performance rate of external guarantees = amount of external guarantees performed during the assessment period/average monthly balance of external guarantees during the assessment period*100%		
Separate assessment indicators for the head offices of the banks							
Separate assessment indicators for the head offices of the banks (25 points)	Balance of payments (8.5 points)	1.5 points	Compliance of administration on the synthetic positions in foreign exchange settlement and sales	1. Whether the banks timely and accurately submit the statement on the synthetic positions in foreign exchange settlement and sales to the foreign exchange authorities in accordance with the regulations (submitting the synthetic positions in banks' foreign exchange settlement and sales of the previous day before 10 o'clock of each working day); 2. Whether the banks keep their positions within the limits for the positions as verified by the foreign exchange authorities (realized by checking the approval instrument for the limit of the banks' synthetic positions as verified by the foreign exchange authorities and the <i>Daily Statement on the Synthetic Positions in the Foreign Exchange Settlement and Sales of the Bank</i>).	1. Where the limit is exceeded without the authorization of the foreign exchange authorities and where the position is squared on the next working day, no points shall be deducted. In case of exceeding the limit for 2 consecutive days, 0.5 point shall be deducted; in case of exceeding the limit for 3 consecutive days, 1 point shall be deducted; and for 4 consecutive days or more, 1.5 points shall be deducted. 2. Where the banks fail to faithfully complete the statement when the limit is exceeded; if found, 1 point shall be deducted each time. 3. Where the banks fail to report the statement on the synthetic positions in foreign exchange settlement and sales, 0.5 point shall be deducted per day, 0.1 point each time for a late report, and 0.2 point for each error found; until the score is	1. <i>Measures for Administering Foreign Exchange Settlement and Sales by Banks</i> (Decree No. 2 [2014] of the People's Bank of China) 2. Circular of the State Administration of Foreign Exchange on Printing and Distributing Detailed Rules for the Implementation of the Measures for Administering Foreign Exchange Settlement and Sales by Banks (Huifa No. 53 [2014]) 3. <i>Circular of the People's Bank of China on Issues Concerning the Administration of Special RMB Account for Foreign Exchange Settlement and Sales by Foreign Banks</i> (Yinfa No. 12 [2015])	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					zero. Late reports: the banks submit the statement after the prescribed reporting time of the day but within the working time of the day; Missing reports: the banks fail to submit the data of the previous day on the current day; Erroneous reports: the data reported by the banks are verified by the foreign exchange authorities as erroneous.		
		1 point	Compliance of handling foreign exchange settlement and sales for self-purposes and other relevant businesses	<p>1. Whether balancing the exchange rate exposure of precious metal is approved by or filed with foreign exchange authorities, and whether the statistical statements on exchange rate exposure of precious metal business are submitted to foreign exchange authorities in accordance with the regulations;</p> <p>2. Whether the conversion between domestic and foreign currencies of capital (or working capital) is approved by foreign exchange authorities, and whether their own expenses and costs are consistent with the principle of actual demand;</p> <p>3. Whether merchant category codes for overseas use of bank cards are duly set, and whether the statistical statements on banks' foreign currency cards are duly submitted to foreign exchange</p>	<p>1. Where the exchange rate exposure of precious metal is balanced without filing with or approval by foreign exchange authorities, if found, 1 point is deducted each time;</p> <p>2. Where the statistics on exchange rate exposure of precious metal business are underreported, if found, 0.5 point is deducted each time, while 0.1 point is deducted for each day when the reporting is delayed;</p> <p>3. Where the conversion between domestic and foreign currencies of capital (or working capital) is not duly made, if found, 1 point is deducted each time;</p> <p>4. Where the banks fail to set the merchant category codes for the use of bank cards outside of China, if found, 1 point shall be deducted each</p>	<p>1. Article 24 and 26, <i>Regulations of the People's Republic of China on Foreign Exchange Administration</i> (Decree No. 532 of the State Council)</p> <p>2. <i>Measures for Administering Foreign Exchange Settlement and Sales by Banks</i> (Decree No. 2 [2014] of the People's Bank of China)</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing Detailed Rules for the Implementation of the Measures for Administering Foreign Exchange Settlement and Sales by Banks</i> (Huifa No. 53 [2014])</p> <p>4. <i>Circular of the State Administration of</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				authorities.	time; 5. Where the statistics on banks' foreign currency cards are not duly reported, if found, 0.5 point is deducted each time. The score for this item can be deducted until zero.	<i>Foreign Exchange on Regulating Administration of Foreign Currency Cards of Banks</i> (Huifa No. 53 [2010]) <i>5. Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration of the Exchange Rate Exposure of the Precious Metal Business Conducted by the Relevant Banks</i> (Huifa No. 8 [2012])	
		6 points	The accuracy, timeliness, and completeness of the statistical data in the direct declaration by financial institutions	1. Whether the statistics for external financial assets and liabilities and transactions are submitted in a timely, accurate, and complete manner. 2. Whether the statistical statements on the foreign exchange assets and liabilities of Chinese-funded financial institutions are submitted in a timely, accurate, and complete manner.	1. Accuracy (1) 0.05 point will be deducted for each error in the declaration form reported. (2) 0.5 point will be deducted for each significant data error which affects the nation's total. (3) No point will be deducted when the bank has spotted and corrected the error in time. 2. Timeliness Where the declaration form is not fully reported, feedback is not given for suspicious data, or erroneous data is not corrected within the given timeframe, 0.1 point will be deducted for delay of each working day (the point may be deducted at the discretion of the foreign exchange authorities	1. <i>Measures for Declaration of Balance of Payments Statistics</i> (Decree No. 642 of the State Council) 2. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Rules on Inspection of the Declaration of the Balance of Payments Statistics</i> (Huifa No. 48 [2015]) 3. <i>Circular of the State Administration of Foreign Exchange on the Submission of the Statistical Statement on Foreign Exchange Assets and Liabilities by Chinese-Funded Financial Institutions</i> (Huifa No. 6 [2009])	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>in case of delay arising from force majeure).</p> <p>3. Completeness</p> <p>Where the contents are not fully reported in the declaration form, 0.05 point will be deducted for each omission.</p> <p>(The above scoring method apply to both offsite and onsite verification)</p>	<p>4. <i>Circular of the State Administration of Foreign Exchange on Printing and Distributing the Statistics System of External Financial Assets and Liabilities and Foreign Transactions</i> (Huifa No. 15 [2016])</p> <p>5. <i>Circular of the State Administration of Foreign Exchange on Issuing the Standards Version 1.1 for Collecting Data on Foreign Exchange Transactions by Financial Institutions</i> (Huifa No. 22 [2016])</p>	
	Capital account (4 points)	2 points	Implementation of the short-term external debt quota	Whether the banks keep the outstanding short-term external debt within the outstanding short-term external debt quota as verified by the foreign exchange authorities.	<p>The assessment is made according to the following two quotas:</p> <p>1. Implementation for each month: where the outstanding short-term external debt of the banks at the end of each month exceeds the quota, 0.1 point shall be deducted for each time. If the exceeding of the quota is identified during an on-the-spot inspection, points shall be deducted in the same way as for when exceeding the quota at the end of the current month.</p> <p>2. Implementation for the whole year: whether the average monthly outstanding short-term external</p>	<p>1. <i>Measures for the Administration of Borrowing of International Commercial Loans by Domestic Institutions</i> (Huizhengfazi No. 6 [1997])</p> <p>2. <i>Interim Measures for the Administration of the External Debt</i> (Decree No. 28 of the State Development Planning Commission, the Ministry of Finance, and the State Administration of Foreign Exchange)</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Implementation of the</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>debt exceeds the quota, points shall be deducted according to the rate of exceeding the quota. Where the rate of exceeding the quota is between 0-10% (inclusive), 0.3 point shall be deducted; where the rate is between 10% and 20% (inclusive), 0.6 point shall be deducted; where the rate is between 20% and 50% (inclusive), 0.8 point shall be deducted; where the rate is over 50%, 1 point shall be deducted. Where the rate of exceeding the quota is over 50% and the banks fail to explain the reason proactively and to lower the outstanding short-term external debt in a timely manner after the event, 1.5 points shall be deducted. The score for this item can be deducted until zero.</p> <p>[The average monthly outstanding short-term external debt =Σ outstanding short-term external debt at the end of each month/12]</p> <p>[Rate of exceeding quota =(the average monthly outstanding short-term external debt - the short-term external debt quota)/ the short-term external debt quota*100%]</p>	<p><i>Measures for the Administration of the External Debt of Domestic Foreign Banks</i> (Huifa No. 59 [2004])</p> <p>4. Circular on Releasing the Annual Outstanding Short-term External Debt Quotas of Financial Institutions.</p>	
		0.5 point	Domestic custody services for QFII	1. Whether the banks handle the account opening for the QFII in accordance with the regulations	Point deductions will be made based on the accuracy and timeliness of the relevant reported	1. <i>Measures for the Administration of Domestic Securities Investments of</i>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>on the foreign exchange administration and report data related to the accounts;</p> <p>2. Whether the banks remit outward the principal that exceeds the investment quota approved by the foreign exchange authorities within the lock-up period for the QFII;</p> <p>3. Whether the banks timely report any significant events;</p> <p>4. Whether the banks perform their duty in supervising the investment operations of the QFII, and identify and timely report illegal investment instructions thereof, if any;</p> <p>5. Whether the banks timely and accurately register the business in light of the actual business conditions.</p>	<p>data. In case of erroneous reporting, 0.1 point will be deducted for each deal, and in case of delayed reporting, 0.05 point will be deducted for each deal.</p> <p>Point deductions will be made based on whether the banks handle the opening and usage of accounts, the inward and outward remittances of funds, as well as the funds exchange in accordance with the regulations; for each deal in breach of the regulations, 0.1 point will be deducted.</p> <p>Point deductions will be made based on whether the banks report any significant event in a timely manner as required; for each late report, 0.1 point will be deducted; until the score is zero.</p>	<p><i>Qualified Foreign Institutional Investors</i> (Decree No.36 [2006] of the China Securities Regulatory Commission, the People's Bank of China, and the State Administration of Foreign Exchange)</p> <p>2. <i>Regulations on Foreign Exchange Administration of Domestic Securities Investments by Qualified Foreign Institutional Investors</i> (Announcement No.1 [2016] of the State Administration of Foreign Exchange)</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Adjusting the Method of Data Submission by Qualified Institutional Investors</i> (Huifa No. 45 [2015])</p>	
		0.5 point	Domestic custody services for RQFII	<p>1. Whether the banks report account information and relevant data for the RQFII in accordance with the regulations on the foreign exchange administration;</p> <p>2. Whether the banks handle the inward remittance of principal that exceeds the investment quota approved by the foreign exchange authorities, handle the inward</p>	<p>Point deductions will be made based on the accuracy and timeliness of the relevant reported data. In case of erroneous reporting, 0.1 point will be deducted for each deal, and in case of delayed reporting, 0.05 point will be deducted for each deal.</p> <p>Point deductions will be made based on whether the banks handle the opening and usage of</p>	<p>1. <i>Measures for the Pilot Program of Domestic Securities Investments by Qualified RMB Foreign Institutional Investors</i> (Decree No. 90 of the China Securities Regulatory Commission, the People's Bank of China, and the State Administration of Foreign Exchange)</p> <p>2. <i>Circular of the State Administration of</i></p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>remittance beyond inward remittance period of the investment quota or remit outward the principal within the lock-up period for the RQFII;</p> <p>3. Whether the banks timely report any significant events;</p> <p>4. Whether the banks timely and accurately register the business in light of the actual business conditions.</p>	<p>accounts, the inward and outward remittances of funds, as well as the funds exchange in accordance with the regulations; for each deal in breach of the regulations, 0.1 point will be deducted.</p> <p>Point deductions will be made based on whether the banks report any significant event in a timely manner as required; for each late report, 0.1 point will be deducted; until the score is zero.</p>	<p><i>Foreign Exchange on Relevant Issues Concerning the Pilot Program of Domestic Securities Investments by Qualified RMB Foreign Institutional Investors</i> (Huifa No. 9 [2013])</p> <p>3. <i>Circular of the State Administration of Foreign Exchange on Adjusting the Method of Data Submission by Qualified Institutional Investors</i> (Huifa No. 45 [2015])</p>	
		0.5 point	Domestic custody services for QDII	<p>1. Whether the banks handle the account opening and usage for the QDII in accordance with the regulations on the foreign exchange administration;</p> <p>2. Whether the banks handle the inward and outward remittances of funds in accordance with the regulations and report relevant data;</p> <p>3. Whether the banks report any significant events on time;</p> <p>4. Whether the banks timely and accurately register the business in light of the actual business conditions.</p>	<p>Point deductions will be made based on the accuracy and timeliness of the relevant reported data. In case of erroneous reporting, 0.1 point will be deducted for each deal, and in case of delayed reporting, 0.05 point will be deducted for each deal.</p> <p>Point deductions will be made based on whether the banks handle the opening and usage of accounts, the inward and outward remittances of funds, as well as the funds exchange in accordance with the regulations; for each deal in breach of the regulations, 0.1 point will be deducted.</p> <p>Point deductions will be made based on whether</p>	<p>1. <i>Provisions for the Administration of Foreign Exchange in Overseas Securities Investments by Qualified Domestic Institutional Investors</i> (Announcement No. 1 [2013] of the State Administration of Foreign Exchange)</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Adjusting the Method of Data Submission by Qualified Institutional Investors</i> (Huifa No. 45 [2015])</p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					the banks report any significant event in a timely manner as required; for each late report, 0.1 point will be deducted; until the score is zero.		
		0.5 point	Banks' overseas wealth management (QDII) services for clients	<p>1. When commercial banks provide overseas wealth management services for clients, whether the net outward remittance of funds (including RMB and foreign exchange) exceeds the investment quota verified by the foreign exchange authorities.</p> <p>2. Whether the banks timely and accurately submit the relevant statements as required.</p>	Where the investment quota is exceeded, points will be deducted based on the rate exceeding the quota multiplied by 0.1; 0.05 point shall be deducted for each late report until the score is zero.	<p>1. <i>Provisions for the Administration of Foreign Exchange in Overseas Securities Investments by Qualified Domestic Institutional Investors</i> (Announcement No. 1 [2013] of the State Administration of Foreign Exchange)</p> <p>2. <i>Circular of the State Administration of Foreign Exchange on Adjusting the Method of Data Submission by Qualified Institutional Investors</i> (Huifa No. 45 [2015])</p>	
	Technology Management (2.5 points)	2.5 points	Compliance of banks' interface development and data quality	<p>1. Whether the interface programs developed by banks are compliant with the requirements for acceptance check of interface program; whether the interface development, acceptance check and joint debugging are performed on a timely basis;</p> <p>2. Timeliness of daily data reporting;</p> <p>3. Accuracy of the reported interface data.</p>	<p>1. Where the interface programs developed by banks are not compliant with the requirements for acceptance check of interface program or the interface development, acceptance check and joint debugging are not performed on a timely basis, if found, 0.3 point is deducted each time. The total score for this item is 0.6 point, which can be deducted until zero.</p> <p>2. Assessment on timeliness will be conducted by means of randomly examining the timeliness of</p>	<p>1. <i>Standards Version 1.1 for Collecting Data on Foreign Exchange Transactions by Financial Institutions</i> (Huifa No. 22 [2016])</p> <p>2. <i>Operating Rules for Collecting Data on Foreign Exchange Transactions by Financial Institutions</i> (Huifa No. 44 [2015])</p>	

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					<p>reporting a certain kind of data on an irregular basis. For the bank with the highest overdue rate in daily data reporting, 0.9 point will be deducted, while no point will be deducted for the banks with the lowest overdue rate. The points to be deducted for other banks = $0.9 * (\text{overdue rate} / \text{the highest overdue rate})$. Overdue rate = the total number of deals of overdue reporting/total number of deals of actual reporting.</p> <p>3. The total score for this item is 1 point, which can be deducted until zero.</p> <p>(1) For the bank with the highest error rate in interface data document reporting in the inspection period, 1 point will be deducted, while no point will be deducted for the bank with the lowest error rate. Points to be deducted for other banks = $1 * (\text{error rate} / \text{the highest error rate})$; Error rate = the total failed recorded data in interface feedback data document/the total recorded data in interface feedback data document.</p> <p>(2) Where an error occurs to the large transaction data reported in the inspection period, leading to the bank's deviation in the amount of such transactions for the month exceeding 5%, 0.2</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
					point shall be deducted each time.		
	Administration of internal control and others (10 points)	2 points	Completeness of internal control system and implementation status	<p>(I) Clear responsibilities for internal control Banks shall set up internal control governance and organizational structure with rational division of responsibilities, explicit duties and clear-cut reporting lines based on violation risks of foreign exchange business:</p> <p>1. Whether the Board of Directors is responsible for establishing effective internal control system to implement foreign exchange administration regulations and ensures prudent operations within the framework of existing foreign exchange administration regulations;</p> <p>2. Whether the Board of Supervisors is responsible for supervising the fulfillment of internal control responsibilities on foreign exchange business violations by the Board of Directors and senior management;</p> <p>3. Whether the senior management is responsible for formulating systematic institutions, process, methods, establishing and refining internal organizational structure to ensure the effective fulfillment of various responsibilities with respect to internal control of violation risks from</p>	<p>1. The internal control system is well-developed and the performance in implementation is satisfactory, $1.5 \leq \text{final score} \leq 2$;</p> <p>2. The internal control system is basically complete, and the performance in implementation is average, and no serious violation event occurs in the assessment period, $0.5 \leq \text{final score} < 1.5$;</p> <p>3. The internal control system is not complete, and relatively serious violation event occurs in the assessment period, $0 \leq \text{the final score} < 0.5$.</p>	Relevant regulations and requirements for foreign exchange administration	<p>Banks will be scored by the General Affairs, Balance of Payments, Current Account, Capital Account, Supervision and Inspection, and Science & Technology Departments of the foreign exchange authorities respectively based on their day-to-day operations.</p> <p>Banks shall present the report on the</p>

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>foreign exchange business;</p> <p>4. Whether a dedicated department has been designated as functional department on internal control for violations in foreign exchange business to lead efforts in coordinated planning of internal control system and organizing implementation as well as inspection and assessment;</p> <p>5. Whether the Internal Audit Department has conducted audit on the adequacy and effectiveness of the bank's internal control on violation risks from foreign exchange business and has reported problems identified in audit in a timely manner and supervised the rectification;</p> <p>6. Whether specific business departments are responsible for participating in formulation of foreign exchange business system and operating procedures related with its own duties, responsible for strictly implementing relevant system and regulations, for organizing self-inspection and reporting defects existing in internal control and making rectification in a timely manner.</p> <p>(II) Complete, compliant and effective internal</p>			<p>implementation of the "internal control and other" assessment requirements to the foreign exchange authorities within 5 working days after the end of the assessment period.</p>

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>control measures</p> <p>Banks shall formulate complete, systematic and compliant management system and business process for each foreign exchange business and conduct evaluation on a regular basis:</p> <ol style="list-style-type: none"> 1. Whether the banks have adequately identified and evaluated the violation risks confronted in operation of each foreign exchange business, adopted proper control measures and implemented standardized and unified business process to ensure the standardized operation; 2. Whether the banks have strengthened systematic and automatic control on business activities by effectively integrating internal control process with business operation system and management information system; 3. Whether the banks have rationally defined the responsibilities and authorities for each department and post related with foreign exchange business, created standardized descriptions of responsibilities, established corresponding delegation system and clarified relevant reporting lines; 4. Whether the banks have formulated relevant 			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>systems to standardize behaviors of employees, clarify prohibitive regulations for employees, and established reporting, investigation and punishment mechanism for abnormal behaviors of employees;</p> <p>5. Whether the banks have conducted evaluation on potential violation risks while launching new foreign exchange business and providing new foreign exchange products and services, and formulated relevant management measures;</p> <p>6. Whether the banks have made adjustments to administrative measures for internal control in a timely manner based on development and changes in foreign exchange situations and regulatory rules.</p> <p>(III) Effective guarantee from internal control</p> <p>1. Whether the foreign exchange business operation and management information system can record operation and management information in a timely and accurate manner to ensure continuity and traceability;</p> <p>2. Whether the banks have effective information communication mechanism in place to ensure that the senior management can keep informed of</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>violation risk profile of foreign exchange business in a timely manner, and relevant departments and employees can learn about systems and information related with their duties in time;</p> <p>3. Whether the roles and staff for supervising implementation of regulations on foreign exchange administration are allocated to branches at various levels (the number is allocated based on the foreign exchange trading volume and categories of branches), and the policy training is provided to foreign exchange employees;</p> <p>4. Whether the banks have sound foreign exchange compliance incentive and constraint mechanism in place.</p> <p>(IV) Timely self-evaluation of internal control</p> <p>1. Whether the banks have conducted self-evaluation on the construction, implementation and operation results of internal control system for violation risks from foreign exchange business;</p> <p>2. Whether the internal control assessment is organized and implemented by independent</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>department and whether the written assessment report is prepared;</p> <p>3. The implementation shall be at least on an annual basis, and where material changes in the operational environment for foreign exchange business or other events of substantial impact occur, internal control assessment shall be organized and conducted in a timely manner;</p> <p>4. Whether the assessment report objectively reflects the impact and probability of occurrence of defects existing in internal control, and defines relevant rectification measures and plans.</p> <p>(V) Adequate supervision of internal control</p> <p>1. Whether the internal audit, internal control departments and specific business departments have coordinated with and supported each other based on division of responsibilities, to build supervision and inspection system covering institutions at all levels, all foreign exchange products and all foreign exchange business processes;</p> <p>2. Whether the reporting and information feedback on internal control supervision are smooth;</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>3. Whether staff of relevant departments timely submit reports on internal control defects identified according to specified reporting routes;</p> <p>4. Whether the banks have established rectification mechanism in internal control for foreign exchange business violations, designated responsible department for rectification, and standardized rectification process to ensure the proper implementation of rectification measures.</p>			
		2 points	Self-Discipline of Foreign Exchange Businesses	<p>(I) Whether customer identities are identified in accordance with the requirements for self-discipline in business operations</p> <p>1. Whether the business system is in place and implemented to know the identity and background of a customer;</p> <p>2. Whether the business system is in place and implemented for classified management of customers, and whether the customers who do not provide identity information or provide false information are managed;</p> <p>3. Whether the system for regular updates of customer information is in place and implemented.</p> <p>(II) Whether transactions are reviewed in</p>	<p>1. If the performance in implementation is excellent, $1.5 \leq \text{the final score} \leq 2$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 1.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>accordance with the requirements for self-discipline in business operations</p> <p>1. Whether relevant business system is in place and implemented for compliance, authenticity and prudence reviews;</p> <p>2. Whether different levels of due diligence investigations are performed based on customer's risk level;</p> <p>3. Whether the banks require customers to provide information or actively collect evidentiary materials based on the risk profile of the business risk profile and customer's risk level.</p> <p>(III) Whether transactions are monitored on an ongoing basis in accordance with the requirements for self-discipline in business operations</p> <p>1. Whether the business system is in place and implemented to continuously and dynamically monitor customer behaviors and capital flows during the business term;</p> <p>2. Whether the business system is in place and implemented for banks to re-identify customers in an unusual case;</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>3. Whether the business system is in place and implemented to keep the electronic or written materials and results with regard to customer background, business reviews, and continuous monitoring.</p> <p>(IV) Whether reports are delivered in accordance with the requirements for self-discipline in business operations</p> <p>1. Whether the business system is in place and implemented to monitor unusual conduct or suspected violation of foreign exchange regulations and report to the foreign exchange authorities;</p> <p>2. Whether the peer review system is in place or implemented.</p> <p>(V) Whether the requirements for self-discipline in business operations are incorporated into the internal control system of the Banks</p> <p>1. Whether the internal control mechanism is established for the implementation of the self-discipline documents including <i>Bank Foreign Exchange Business Principles</i>, and the requirements are embedded in the internal control system of the Banks such as risk</p>			

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>management, business operations and performance assessment;</p> <p>2. Whether the Banks establish the top-down internal control and compliance system for foreign exchange business, determine the department leading the implementation of foreign exchange business principles, and build the specific work mechanism;</p> <p>3. Whether the internal control system is updated in accordance with the requirements for self-discipline in business operations;</p> <p>4. Whether the systems are improved in accordance with the requirements for self-discipline in business operations;</p> <p>5. Whether employees are trained under the theme of self-discipline in business operations.</p>			
		2 points	How the department leading the foreign exchange administration is supported within the bank	<p>(I) Whether the department leading the coordination with foreign exchange administration is in place;</p> <p>(II) Whether the leading department has sufficient authority to ensure its enforcement power;</p> <p>(III) Whether the leading department has performed the following responsibilities:</p>	<p>1. If the performance in implementation is excellent, $1.5 \leq \text{the final score} \leq 2$;</p> <p>2. If the performance in implementation is average, $0.5 \leq \text{the final score} < 1.5$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.5$.</p>		

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				<ol style="list-style-type: none"> 1. Align day-to-day operations with those of the foreign exchange authorities; 2. Proactive and regular assessment of the changes in foreign exchange administration policies; 3. Timely and accurate communication of the intention of foreign exchange administration policies across the bank; 4. Coordination with relevant departments in the bank for necessary modification of internal systems and procedures; 5. Work with relevant departments in the bank to study, develop and implement the policy measures for foreign exchange administration and monitor the implementation on an ongoing basis. 			
		1 point	Assistance with foreign exchange authorities in daily supervision	<ol style="list-style-type: none"> 1. Whether valuable opinions and suggestions have been proposed on improving foreign exchange supervision; 2. Where a self-inspection is required for a special inspection by the foreign exchange authorities, whether the banks can earnestly conduct a self-inspection. 2. Whether the banks proactively develop 	<ol style="list-style-type: none"> 1. If the performance in implementation is excellent, $0.8 \leq \text{the final score} \leq 1$; 2. If the performance in implementation is average, $0.4 \leq \text{the final score} < 0.8$; 3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.4$. 		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>supporting foreign exchange products in line with the changes to the foreign exchange administration policies;</p> <p>3. Whether the banks effectively avoid unfair competition and moral risks in cooperating with foreign exchange administration;</p> <p>4. Whether the banks actively support on-site inspection and verification work, including providing workplaces and data or materials required, assisting the staff of foreign exchange authorities with inquiries and allowing access to business system;</p> <p>5. Whether the banks actively support ad-hoc work assigned by foreign exchange authorities, such as monitoring of foreign exchange purchases and payments in large amounts and unusual foreign exchange purchases and payments.</p>			
		1 point	Internal performance assessment and its linkage with foreign exchange compliance	<p>1. Whether the <i>Internal Performance Assessment System</i> is reported to the local foreign exchange authority within 10 working days after its formal implementation;</p> <p>2. Whether the weight of indicators related to the implementation of regulations on foreign</p>	<p>1. If the performance in implementation is excellent, $0.8 \leq \text{the final score} \leq 1$;</p> <p>2. If the performance in implementation is average, $0.4 \leq \text{the final score} < 0.8$;</p> <p>3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.4$.</p>		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
			management	exchange administration is not less than 15% among the compliance-related indicators for the internal performance assessment.			
		1 point	Strategy and implementation of foreign exchange product pricing	1. Whether the pricing strategy of foreign exchange products reflects the intention of foreign exchange administration policies; 2. Whether pricing levers are proactively used to steer customer expectations properly and whether related measures are fairly timely, flexible and practicable; 3. Whether the branches have a unified standard for pricing strategy for foreign exchange products and implement it on an ongoing basis.	1. If the performance in implementation is excellent, $0.8 \leq \text{the final score} \leq 1$; 2. If the performance in implementation is average, $0.4 \leq \text{the final score} < 0.8$; 3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.4$.		
		1 point	Rectification of violations	1. Whether the annual rectification report is duly reported (prior to March 31), and the report should contain internal performance assessment and its linkage with foreign exchange administration, foreign exchange product pricing strategy and implementation, self-discipline of foreign exchange business, internal support for foreign exchange administration across the bank, position allocation for the compliance with foreign exchange business policies as well as other	1. If the performance in implementation is excellent, $0.8 \leq \text{the final score} \leq 1$; 2. If the performance in implementation is average, $0.4 \leq \text{the final score} < 0.8$; 3. If the performance in implementation is poor, $0 \leq \text{the final score} < 0.4$.		

Item	Sub-item	Score	Assessment indicator	Criteria	Scoring method	Main reference documents and basis	Remarks
				<p>contents relating to the improvement of internal control management of banks;</p> <p>2. Whether the rectification measures against violations are developed timely and implemented properly;</p> <p>3. Whether the follow-up rectification efforts are proactively communicated;</p> <p>4. Whether the rectifications are effective, and whether similar mistakes are made repeatedly.</p>			