

Giro international: Credit transfers to China in renminbi

With the introduction of the renminbi as a payment currency, PostFinance is expanding its range of international payment transaction services and is thereby responding to the growing importance of the Chinese currency. China now ranks third on the list¹ of Switzerland's most important trading partners, and at the end of 2015, the International Monetary Fund (IMF) decided to add the Chinese renminbi to its basket of currencies, alongside the US dollar, the euro, the Japanese yen and the British pound.

Renminbi is the official name of the (people's) currency.

Yuan refers to a unit of the currency.

CNY is the official ISO currency code for the Chinese currency.

CNAPS stands for China's clearing system, the Chinese National Advanced Payment System.

The renminbi is still controlled by the Chinese government and is subject to certain restrictions. This is reflected in the credit transfer process. To ensure that payment transactions in CNY/renminbi are executed smoothly, please see the necessary prerequisites below:

1. Commercial relationship with a company based in mainland China

To make a payment in CNY, you must have a commercial relationship with a Chinese company as the payment recipient. Payments cannot be made to private individuals. The customer acknowledges that if this precondition is not met when making a payment, the payment will be rejected by the Chinese side, which may lead to exchange rate losses. We therefore recommend enquiring as to whether the recipient can receive payments in renminbi before making the credit transfer.

2. Entering payments in software and transmitting payments electronically via a file

Only CNY payments which have been entered in payment software and transmitted electronically (directly from the software or via a file) can be processed.

Information on possible payment software can be found at www.postfinance.ch/software.

Entering payments directly on the international payment screen in e-finance is not possible for system-related reasons.

3. Knowledge of the payment information required from the Chinese trading partner

To ensure a successful credit transfer, the following receiving bank details along with the usual information must be entered when making a payment:

- BIC/SWIFT field: twelve-digit numeric (CNAPS) code instead of the usual BIC
- Receiving bank's details:
 - 1st line: BIC instead of bank name
 - 2nd and 3rd line: leave blank
 - 4th line: bank location (without street and postcode)

You will receive this information from your Chinese trading partner.

4. One-off registration of the PostFinance account to be debited

Before executing a payment in CNY, one-off registration of the account (IBAN and account name) from which the payment in CNY needs to be executed is required. This must be carried out at least two working days before releasing the payment. We recommend using an account in CHF. Credit transfers from accounts in foreign currencies are subject to a double conversion.

To register or if you have any queries, please contact your advisor or the info hotline for international payment transactions on +41 58 667 97 67.

Risks associated with credit transfers in CNY/renminbi

As the renminbi is controlled by the Chinese government, the regulatory framework which applies to you may change at any time. The customer is responsible for checking and adhering to the provisions of the Chinese government for transactions in mainland China.

The PostFinance Ltd General Terms and Conditions and Subscriber Conditions, which are available at www.postfinance.ch/gtc, also apply.

¹ Source: Swiss Federal Statistical Office 2017

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