

Regulations on Non-Bank Payment Institutions

(Draft for comments)

Chapter One General Provisions

Article 1 (Basis for Purpose) To strengthen the supervision and management of non-bank payment institutions, regulate the behavior of non-bank payment institutions, prevent payment risks, protect the legitimate rights and interests of parties, and promote the healthy development of the payment service market, in accordance with the "People's Bank of China Law" and "The Law of the People's Republic of China on Electronic Commerce" enacts these regulations.

Article 2 (Types of Business) The term "non-bank payment institutions" as used in these Regulations refers to limited liability companies or joint stock limited companies that are legally established within the territory of the People's Republic of China and have obtained a payment business license to engage in some or all of the following payment businesses:

- (1) Operation of stored-value accounts;
- (2) Payment transaction processing.

Stored-value account operation refers to the act of opening a payment account or providing prepaid value, according to the electronic payment instructions submitted by the payee or payer, to transfer monetary funds. Except for the prepaid value issued by legal entities and used only within them.

Payment transaction processing refers to the act of transferring monetary funds based on electronic payment instructions submitted by the payee or payer without opening a payment account or providing prepaid value.

The specific classification methods and rules of stored-value account operation and payment transaction processing shall be separately stipulated by the People's Bank of China.

The payment account referred to in these Regulations refers to the electronic bookkeeping opened by natural persons (including individual industrial and commercial households) according to their true wishes and used to initiate payment instructions, record the balance of prepaid transaction funds, and reflect transaction details. The specific rules for payment account business shall be separately formulated by the People's Bank of China.

Article 3 (Operation Principles) When conducting business, non-bank payment institutions shall abide by relevant laws and regulations, follow the principles of safety, efficiency, integrity and fair competition, and shall not harm the national interest, social public interest and the legitimate rights and interests of others.

Article 4 (Supervision and Management) The People's Bank of China and its branches perform their duties of supervision and management of non-bank payment institutions in accordance with the law.

The People's Bank of China formulates the identification standards and regulatory rules for systemically important non-bank payment institutions in accordance with the law.

Article 5 (Anti-Money Laundering and Anti-Terrorist Financing Obligations) Non-bank payment institutions shall abide by the relevant provisions on anti-money laundering and anti-terrorist financing, and perform anti-money laundering and anti-terrorist financing obligations.

Article 6 (Scope of Application) These Regulations shall apply to non-bank institutions that provide payment services for natural persons, legal persons and other

organizations within the territory of the People's Republic of China or for domestic and cross-border transactions.

Chapter II Establishment, Change and Termination

Article 7 (Approval of Establishment) The establishment of a non-bank payment institution shall be approved by the People's Bank of China. The name of a non-bank payment institution should be marked with the word "payment".

Without the approval of the People's Bank of China, no unit or individual may engage in payment business or in disguised form. Any unit that is not engaged in payment business shall not use the word "payment" in its name. Except as otherwise provided by laws and administrative regulations.

Article 8 (Application Requirements) The establishment of a non-bank payment institution shall meet the requirements for the establishment of a limited liability company or a joint stock company limited by the "Company Law of the People's Republic of China" and meet the following conditions:

(1) The registered capital shall meet the requirements of Article 9 of these Regulations;

(2) Having non-major shareholders, major shareholders, controlling shareholders, actual controllers, and ultimate beneficiaries that comply with the provisions of Articles 10 to 13 of these regulations;

(3) The proposed directors, supervisors and senior management personnel meet the qualifications required in Article 14 of these Regulations;

(4) It has business premises, safety guarantee measures, technical capabilities and payment business infrastructure in compliance with regulations within the territory of the People's Republic of China;

(5) Having a sound corporate governance structure, organizational structure, internal control system, risk management measures, exit plans, and protection measures for the legitimate rights and interests of users;

(6) There are complete anti-money laundering and anti-terrorist financing measures;

(7) Having a clear business development direction and feasible business development plan;

(8) Other prudential conditions stipulated by the People's Bank of China.

Article 9 (Capital Strength Requirements) The minimum registered capital of non-bank payment institutions is 100 million yuan. According to the principle of prudential supervision, the People's Bank of China determines the minimum registered capital of non-bank payment institutions engaged in stored-value account operations and payment transaction processing services , as well as the ratio of registered capital to business scale. The registered capital should be paid-in capital.

Shareholders of non-bank payment institutions shall make capital contributions with their own funds, and shall not make capital contributions with non-self-owned funds such as entrusted funds or debt funds.

Article 10 (Conditions for Non-Major Shareholders) Enterprises or natural persons who are non-major shareholders of non-bank payment institutions shall meet the following conditions:

(1) The enterprise shall be established in accordance with the law, with a clear equity structure and a complete governance structure;

(2) Enterprises and natural persons shall have no criminal records, no other major violations of laws or regulations or serious market dishonesty in the past 3 years, and no major violations of laws or regulations are under investigation or in the period of rectification;

(3) The enterprise shall have sufficient capital strength, main business with good development prospects and sustainable development capabilities.

The term “non-major shareholders” as used in these Regulations refers to shareholders who hold less than 10% of the equity of non-bank payment institutions and have no significant influence on the operation of non-bank payment institutions.

Article 11 (Conditions for Major Shareholders, Controlling Shareholders and Actual Controllers) Major shareholders, controlling shareholders and actual controllers of non-bank payment institutions shall meet the following conditions:

(1) The major shareholders and controlling shareholders shall be limited liability companies or joint stock limited companies with a good governance structure, a clear shareholding structure and organizational structure, and a transparent structure of shareholders and ultimate beneficiaries;

(2) If the main shareholder, controlling shareholder and actual controller are enterprises, they shall have sufficient capital strength, main business with good development prospects, stable profit sources and sustainable development capabilities; if the actual controller is a natural person, they shall have sufficient Capital strength;

(3) No criminal record, no other major violations of laws or regulations or serious market dishonesty in the past 3 years, and no major violations of laws or regulations are under investigation or during rectification;

(4) No false investment, revolving capital injection of non-bank payment institutions, financial institutions, or other financial business institutions has occurred, or when investing in non-bank payment institutions, financial institutions, or other financial business institutions, no false promises or Acts of false materials;

(5) Other prudential conditions stipulated by the People's Bank of China.

The term "major shareholders" as used in these Regulations refers to shareholders who hold or control more than 10% of the total shares or voting rights of non-bank payment

institutions, or hold less than 10% of the total shares, but have a significant impact on the operation and management of non-bank payment institutions.

The term “controlling shareholders” as used in these Regulations refers to shareholders whose capital contribution accounts for more than 50% of the total capital of non-bank payment institutions or whose shares hold more than 50% of the total capital of non-bank payment institutions; although the capital contribution or the proportion of shares held is insufficient 50%, but shareholders whose voting rights based on their capital contributions or shares held are sufficient to have a significant impact on the shareholders’ meeting or general meeting of shareholders.

The actual controller mentioned in these Regulations refers to a person who can actually control the behavior of non-bank payment institutions through investment relations, agreements or other arrangements.

The same legal person shall not hold more than 10% of the equity of two or more non-bank payment institutions.

The same actual controller may not control two or more non-bank payment institutions.

Article 12 (Prohibited Acts of Controlling Shareholders and Actual Controllers)

The controlling shareholders and actual controllers of non-bank payment institutions shall not have the following circumstances:

(1) To evade supervision through specific purpose vehicles or entrusting others to hold shares;

(2) There are many related parties, the equity relationship is complex, opaque, or there are ownership disputes, maliciously carrying out affiliated transactions, or maliciously using affiliated relationships;

(3) Unfair competition is carried out by means of abuse of dominant market position;

(4) Manipulating the market and disrupting market order;

(5) Transfer of shares held by non-bank payment institutions within 3 years from the date of becoming the controlling shareholder or actual controller of a non-bank payment institution;

(6) Other situations that may have a material adverse effect on the operation and management of non-bank payment institutions.

Article 13 (Ultimate Beneficiary Conditions) Under any of the following circumstances, it shall not be the ultimate beneficiary of a non-bank payment institution:

(1) Being included in the anti-money laundering and anti-terrorist financing monitoring list;

(2) It has a greater impact on the steady operation of non-bank payment institutions.

The ultimate beneficiary referred to in these Regulations refers to the person who actually enjoys the direct or indirect equity income of non-bank payment institutions.

Article 14 (Qualifications for Senior Management) The directors, supervisors and senior management of non-bank payment institutions shall meet the following requirements and obtain the qualifications approved by the People's Bank of China:

(1) Familiar with laws and regulations related to payment business;

(2) Having the professional experience and management ability required to perform duties;

(3) No criminal record and no other major violations of laws and regulations or serious market dishonesty in the last 3 years;

(4) Other prudential conditions stipulated by the People's Bank of China.

Under one of the circumstances stipulated in Article 146 of the "Company Law of the People's Republic of China", one shall not serve as a director, supervisor or senior manager of a non-bank payment institution.

Article 15 (Application materials for the establishment of a non-bank payment institution) To establish a non-bank payment institution, you should first apply for the

establishment, and submit the following application materials for the preparation to the branch of the People's Bank of China where the non-bank payment institution is to be established:

- (1) A written application stating the name, domicile, registered capital, and type of payment business that the applicant intends to establish a non-bank payment institution;
- (2) Draft of the company's articles of association;
- (3) Proof that the capital strength meets the requirements;
- (4) Relevant materials about non-major shareholders, major shareholders, controlling shareholders, actual controllers and ultimate beneficiaries;
- (5) The organization setting, internal control system plan, risk management measure plan and user's legal rights protection plan of the proposed non-bank payment institution;
- (6) Materials on anti-money laundering and anti-terrorist financing measures;
- (7) Payment business development plan and feasibility study report;
- (8) Payment business infrastructure construction plan;
- (9) The preparatory work plan and the name list and resumes of the main staff;
- (10) Other materials related to non-bank payment institutions that are reasonably required by the People's Bank of China based on the consideration of protecting the legitimate rights and interests of users and safeguarding the public interest.

After the branch of the People's Bank of China where the non-bank payment institution is located has accepted and initially reviewed the application materials for the establishment, it shall submit the application materials and review opinions to the People's Bank of China in a timely manner.

The applicant referred to in these Regulations refers to the legal person who has an interest in the payment business license application and applies to the People's Bank of China.

Article 16 (Examination and Approval of Preparatory Establishment) The People's Bank of China shall make a decision to approve or disapprove the preparatory establishment within 6 months from the date of accepting the applicant's preparation application materials , and notify the applicant in writing . If it decides not to approve, the reasons shall be explained.

If the People's Bank of China is unable to complete the review within the time limit specified in the preceding paragraph and make a decision to approve or disapprove the establishment, it may extend the review period appropriately and notify the applicant in writing, but the extension of the review period shall not exceed 3 months.

Article 17 (Time Limit for Preparatory Establishment) The applicant should complete the preparatory work within 6 months from the date of approval of the preparatory establishment decision. If the preparatory work is not completed within the prescribed time limit, the reasons shall be explained, and it may be extended for 3 months upon approval of the branch of the People's Bank of China where the non-bank payment institution is located. If the preparatory work is not completed within the extended period, the decision to approve the preparatory establishment made by the People's Bank of China will automatically become invalid.

Article 18 (Application materials for opening business) After the completion of the preparatory work, the branch of the People's Bank of China where the non-bank payment institution is planned to be established shall be checked and accepted. If the experience acceptance is qualified, the applicant shall submit the following materials to the branch of the People's Bank of China where the non-bank payment institution is to be established to apply for opening:

(1) An application form for opening business, specifying the name, domicile, registered capital, organizational structure, and type of payment business to be established, etc. of the non-bank payment institution to be established;

- (2) Payment business rules and detailed instructions;
- (3) Compliant business premises, payment business infrastructure acceptance materials and emergency plans;
- (4) Acceptance materials for anti-money laundering and anti-terrorist financing measures;
- (5) The technical standards and safety certification materials of the payment business facilities ;
- (6) Materials such as corporate governance structure, internal control, risk prevention, compliance mechanism and exit plan;
- (7) Application materials for the qualifications of the proposed directors, supervisors and senior managers;
- (8) A summary report on the completion of the preparatory work, including an explanation of the changes in the original preparatory application materials and relevant certification materials;
- (9) Other materials related to non-bank payment institutions reasonably required by the People's Bank of China based on the consideration of protecting the legitimate rights and interests of users and safeguarding the public interest .

After the branch of the People's Bank of China where the non-bank payment institution is located has accepted and initially reviewed the application materials submitted by the applicant, it shall promptly submit the application materials to the People's Bank of China together with the review opinions.

Article 19 (Examination and Approval of Starting Business) The People's Bank of China shall, within 2 months from the date of accepting the applicant's application materials for starting business, make a decision to approve or disapprove the start of business, and notify the applicant in writing . If it decides to approve, it shall issue the

approval document and payment business permit and make an announcement; if it decides not to approve, it shall explain the reasons.

Article 20 (Time Limit for Starting Business) Applicants shall go through the registration procedures with the market supervision and management department and obtain the business license within one month from the date of receipt of the payment business license.

Non-bank payment institutions shall open business within 6 months from the date of obtaining the business license. Those who fail to start business on time shall submit an application for extension of business opening to the People's Bank of China one month before the expiration of the opening period. The extension of business opening shall not exceed one time, and the extension shall not exceed 3 months.

If a non-bank payment institution fails to open the business within the time limit specified in the preceding paragraph, the opening approval document shall become invalid, and the People's Bank of China shall complete the cancellation procedures of the opening permit, withdraw the payment business license of the non-bank payment institution, and make an announcement.

Article 21 (Announcement Requirements) The applicant shall announce the following matters in accordance with the regulations after receiving the notice of acceptance of the opening application:

- (1) The applicant's registered capital and shareholding structure;
- (2) The list of major shareholders, their shareholding ratio and their financial status;
- (3) The list of actual controllers and their financial status;
- (4) The type of payment business to be applied for;
- (5) The business place of the applicant;
- (6) The technical standards and safety certification materials of the payment business facilities.

Article 22 (Requirements for domicile and business management site) The business and management site of a non-bank payment institution shall be consistent with the domicile. If a non-bank payment institution intends to engage in payment business in a province, autonomous region, or municipality other than its domicile, and it involves entity contracted merchants, it shall establish a branch in accordance with the provisions of the People's Bank of China.

If a non-bank payment institution intends to establish a branch, it shall file with the branch of the People's Bank of China where the branch is to be established before conducting business.

If a non-bank payment institution intends to establish a branch in the place of domicile, it shall follow the above-mentioned regulations.

Article 23 (Change of Approval Items) If a non-bank payment institution changes the following items, it shall report to the People's Bank of China or its branch for approval in accordance with regulations. If it is necessary to go through the formalities of enterprise registration, it shall go through the relevant formalities after approval:

- (1) Change of company name, registered capital, business scope, domicile, articles of association or organizational form;
- (2) Changing the company's equity structure, actual controller or ultimate beneficiary;
- (3) Merger or division;
- (4) Change of directors, supervisors or senior management personnel.

The People's Bank of China or its branch shall make a decision within 3 months from the date of accepting the change application and notify the applicant in writing.

Article 24 (Termination of business) If a non-bank payment institution is dissolved or declared bankrupt according to law, it shall go through the company's cancellation registration after completing the payment business license cancellation procedure and the payment business withdrawal. The withdrawal of non-bank payment institutions shall be

led by the branch of the People's Bank of China where the non-bank payment institution is domiciled. The local people's government in the domicile of the non-bank payment institution shall cooperate in handling relevant work to effectively protect the legitimate rights and interests of users.

The specific matters concerning the liquidation of non-bank payment institutions shall be handled in accordance with the relevant laws and administrative regulations of the People's Republic of China and the relevant provisions of the People's Bank of China.

Chapter III Payment Business Rules

Article 25 (Business franchise) Non-bank payment institutions shall conduct payment business within the scope specified in the payment business license, and shall not engage in business beyond the scope specified in the payment business license, or engage in or engage in credit granting activities in disguised form.

Non-bank payment institutions shall not directly or disguisedly transfer, lease or lend payment business licenses.

Article 26 (Institutional System Construction) Non-bank payment institutions shall establish and improve compliance management systems, internal control systems, business management systems, risk management systems, emergency response plans, and protection measures for the legitimate rights and interests of users in accordance with the requirements of prudent operation , And report to the branch of the People's Bank of China where you live for the record.

Article 27 (Continuous Management of Identity Identification Mechanism) Non-bank payment institutions shall follow the principle of "know your customer", identify and verify user identities in accordance with regulations, understand the purpose of user account opening and transaction background, and establish continuous, effective and secure identity recognition mechanism.

Non-bank payment institutions shall independently take continuous and effective identification measures for customers and special merchants they have expanded to ensure that special merchants are legally established merchants engaged in legal business activities.

Article 28 (Requirements for Core Business Management) Non-bank payment institutions shall independently complete the expanded special merchant qualification review, service agreement signing, continuous risk monitoring of merchants and other activities, and must not integrate core business related to fund security, information security, etc. Business outsourcing.

Non-bank payment institutions shall submit complete transaction information to the clearing institution.

If a non-bank payment institution outsources non-core business, it shall assume the management responsibility and legal consequences as the main body of the payment business.

Article 29 (Supervision Requirements for Stored Value Account Operation) The stored value funds obtained from users by non-bank payment institutions engaged in stored value account operations shall be converted into payment account balance or prepaid value balance in a timely manner.

Non-bank payment institutions engaged in the operation of stored-value accounts shall, in accordance with the regulations of the People's Bank of China, redeem the balance held by the users in a timely and equivalent value according to the requirements of the users.

Non-bank payment institutions engaged in the business of operating stored-value accounts shall not pay users interest and other benefits related to the period of time the user holds the payment account balance or the prepaid value balance.

Non-bank payment institutions engaged in the operation of stored-value accounts shall not open payment accounts and provide services for users through agencies, and shall take adequate security measures for the opened payment accounts.

Article 30 (Payment Account Management) Non-bank payment institutions shall establish and improve the business management system for opening, using, changing and canceling payment accounts, and in accordance with the management principle of “who’s customer is responsible”, they shall undertake the legal compliance of payment accounts Subject responsibility, perform due diligence obligations, prevent anonymous, pseudonymous, and fake payment accounts from opening, and take adequate and effective measures to prevent payment accounts from being used for renting, lending, selling, money laundering, gambling, fraud and other illegal activities.

The payment account holder shall open the payment account in his real name and use it by himself, and shall be responsible for the authenticity of the account opening information provided and the consequences of the transaction. Payment account holders must not open payment accounts anonymously, under false names, or under false names, rent, lend, or sell payment accounts, must not provide payment accounts for illegal activities, and bear responsibility for account violations including credit punishment.

Article 31 (Supervision Requirements for Payment Transaction Processing Business) Non-bank payment institutions engaged in payment transaction processing business shall access accounts in accordance with the security authentication methods recognized by clearing institutions, banks, and non-bank payment institutions engaged in stored-value account operation business. Keep sensitive account information. Banks that cooperate with non-bank payment institutions to conduct business shall comply with account management regulations.

Article 32 (Data preservation) Non-bank payment institutions shall, in accordance with the provisions of laws and administrative regulations, keep user data and transaction

records, cooperate with relevant agencies to inquire about user data or transaction information, and cooperate with competent agencies to freeze or deduct user funds.

Article 33 (Payment Agreement) A non-bank payment institution shall sign an agreement with the user, clarifying the rights and obligations of the non-bank payment institution and the user, the principle of dispute resolution, the liability for breach of contract, the payment business process, the transmission path of electronic payment instructions, and the provision of payment. The ownership of golden fruits and other matters. Non-bank payment institutions shall fulfill their information disclosure obligations regarding the content of relevant agreements that can affect whether users agree to use payment services.

Non-bank payment institutions shall draft the standard terms of the agreement in accordance with the principle of fairness and disclose them publicly. For clauses that exempt or limit one's own liability or exclude user rights, reasonable prompts and explanations shall be fulfilled.

If a non-bank payment institution intends to change the content of the agreement, it shall fully solicit user opinions and make an announcement in a prominent position on its branch or official website 30 days in advance. The non-bank payment institution shall reach an agreement with the user on the content of the agreement to be changed in written form.

Article 34 (Information Collection, Use, and Processing) When collecting and using user information, non-bank payment institutions shall follow the principles of lawfulness, fairness, and necessity, publicly collect and use user information rules, and clearly state the purpose of collecting and using user information, Method and scope, and with the express consent of the user.

Non-bank payment institutions shall not collect user information that has nothing to do with the services they provide, and shall not collect and use user information in violation

of relevant regulations and agreements between the parties, and shall process the user information they keep in accordance with relevant regulations and agreements between the parties.

Non-bank payment institutions shall keep the collected user information strictly confidential, shall not disclose, tamper with, or damage user information, shall not sell or illegally provide user information to other organizations or individuals, and shall not authorize or agree to the use of user information for marketing or external use. Provision, etc. is a prerequisite for establishing a business relationship with the user, except that the nature of the business relationship requires prior authorization or consent.

Users of non-bank payment institutions have the right to request non-bank payment institutions to delete their personal information, unless otherwise provided by laws and administrative regulations. For incorrect information, the user has the right to request correction.

When non-bank payment institutions and their affiliated companies share user information, they should ensure compliance with laws and regulations, control risks, and obtain explicit consent from users to prevent improper use of user information.

Article 35 (Requirements for Information Localization) If a non-bank payment institution is identified as a critical information infrastructure, the storage, processing and analysis of user information collected and generated in China shall be carried out in China. Non-bank payment institutions that provide domestic user information overseas shall comply with laws, administrative regulations, departmental rules, and the provisions of the People's Bank of China, and obtain the user's express consent.

Article 36 (Business Charges) Non-bank payment institutions shall, in accordance with relevant provisions of price laws and regulations, reasonably determine and publicly disclose the charge items and charging standards for payment services, mark the price

clearly, and report to the branch of the People's Bank of China where it is located for record.

Non-bank payment institutions shall clearly and completely indicate the service content, charging items, charging standards, restrictions and related requirements in the eye-catching locations and key nodes of business premises and business processing channels to protect users' right to know and choose.

Article 37 (Requirements for the Management of Reserve Funds) The term "preparation funds" as mentioned in these Regulations refers to the monetary funds received in advance to be paid by non-bank payment institutions for the payment business entrusted by users.

The reserve fund accepted by non-bank payment institutions does not belong to its own property. Non-bank payment institutions shall not embezzle, occupy or borrow the reserve funds in any form, and shall not use the reserve funds to provide guarantees for themselves and others without authorization.

Non-bank payment institutions shall transfer reserve funds in accordance with payment instructions initiated by users, unless otherwise provided by laws, administrative regulations and the People's Bank of China.

Article 38 (Control of the Scale of Reserves) The ratio of the net assets of non-bank payment institutions to the average daily balance of reserves shall comply with the regulations of the People's Bank of China.

Article 39 (Storage and Use of Reserve Funds) Non-bank payment institutions shall deposit the reserves in the People's Bank of China or a commercial bank that meets the requirements.

No unit or individual may apply for freezing or compulsory enforcement of the accounts of non-bank payment institutions depositing reserve funds.

Article 40 (Clearing Provisions) The payment business between non-bank payment institutions, between commercial banks, or between non-bank payment institutions and commercial banks initiated by non-bank payment institutions shall be processed by clearing institutions with corresponding legal qualifications .

Non-bank payment institutions shall not directly or in disguise conduct clearing business.

Article 41 (Electronic Payment Instructions) Non-bank payment institutions shall include necessary information in the electronic payment instructions to ensure the integrity, consistency, traceability and non-tampering of the electronic payment instructions.

The initiation of electronic payment instructions shall be based on the real transaction background, and non-bank payment institutions shall not fabricate electronic payment instructions.

Article 42 (Technical and Security Standards) Non-bank payment institutions shall have the necessary and independent systems, facilities and technologies to ensure the timeliness and accuracy of payment business processing and the continuity, security and traceability of payment business.

Non-bank payment institutions' payment business-related systems, facilities and technologies shall comply with national standards, financial industry standards and relevant network and data security management requirements.

Article 43 (Requirements for Domestic Transaction Processing) Non-bank payment institutions shall have a safe and standardized payment business processing system and its backup system in China. If a non-bank payment institution provides services for domestic transactions, it shall complete the transaction processing through the domestic business processing system and complete the settlement of funds within the country.

Article 44 (Regulations on Cross-border Payment Management) Non-bank payment institutions that provide services for cross-border transactions shall abide by the relevant regulations on cross-border payments, cross-border RMB business and foreign exchange management.

Chapter IV Supervision and Management

Article 45 (Supervision of Major Shareholders and Controlling Shareholders)
The People's Bank of China and its branches shall review the major shareholders and controlling shareholders of non-bank payment institutions, and implement penetrating supervision over their true shareholding structure and actual controllers.

The People's Bank of China and its branches conduct penetrating supervision of the capital of the major shareholders and controlling shareholders of non-bank payment institutions, and strictly examine the source, nature and flow of the capital.

Article 46 (Scope of Inspection) **The** People's Bank of China and its branches shall inspect non-bank payment institutions in accordance with laws, administrative regulations and the provisions of the People's Bank of China.

The People's Bank of China and its branches may take administrative enforcement measures such as conducting on-site inspections, investigating and collecting evidence, inquiring relevant personnel and requesting explanations, checking the information management system and account transaction information, consulting, copying, checking and sealing relevant materials. When necessary, the People's Bank of China and its branches may obtain data from other relevant institutions for verification.

The People's Bank of China may hire qualified accounting firms and other intermediary agencies to conduct special audits or audits of non-bank payment institutions.

Non-bank payment institutions shall accept inspections by the People's Bank of China and its branches, provide information truthfully, and shall not refuse, obstruct or evade inspections, and shall not lie, conceal or destroy relevant materials.

Article 47 (Classified Rating) The People's Bank of China shall conduct comprehensive evaluations and classified ratings of non-bank payment institutions in accordance with regulations, and adopt differentiated and targeted regulatory measures based on the results of classified ratings.

Article 48 (Innovative Business Filing) Where business innovations carried out by non-bank payment institutions involve user fund security and information security, adequate risk assessment and compliance demonstration shall be conducted, and information shall be disclosed in a timely, adequate and comprehensive manner, and Users are reminded of relevant business risks and file with the People's Bank of China or its branches before the business commences.

Article 49 (Management of Major Events) Major events such as overseas investments planned by non-bank payment institutions, their main shareholders, and actual controllers may lead to major adjustments in business policies or affect the company's business development, payment business stability and continuity 1. If the legitimate rights and interests of users have a significant impact, they shall file with the People's Bank of China or its branches before the implementation of relevant matters.

If a shareholder of a non-bank payment institution intends to pledge the equity of a non-bank payment institution, it shall file with the People's Bank of China before the pledge, and the pledged equity shall not exceed 50% of the total equity of the non-bank payment institution held by the shareholder.

Article 50 (Prevention and Reporting of Risk Events) The People's Bank of China and its branches shall, in conjunction with relevant departments, establish a monitoring,

early warning, prevention and handling mechanism for major risk events, and formulate emergency plans for major risk events.

If a non-bank payment institution has a risk event, it shall immediately report to the branch of the People's Bank of China where it is domiciled.

Article 51 (Regulatory Measures for Risk Events) If a non-bank payment institution has a risk event that affects its normal operations and damages the legitimate rights and interests of users, the People's Bank of China may distinguish the circumstances and take the following measures against the non-bank payment institution:

- (1) Risk warning;
- (2) Order to replenish capital in time;
- (3) Restricting major asset transactions;
- (4) Sell part of assets;
- (5) Order to adjust directors, supervisors, and senior managers or restrict their rights.

Article 52 (Document Submission) Non-bank payment institutions shall submit payment information, audited operating data statements, financial accounting reports, statistical data, and reporting requirements of the People's Bank of China to the People's Bank of China and its branches as required. Other materials related to corporate governance and business operations.

Article 53 (Requirements for Confidentiality) The People's Bank of China and its branches shall keep confidential the state secrets, commercial secrets or personal privacy that they learn during the supervision and management work.

Article 54 (Requirements for Fair Competition) Non-bank payment institutions shall not engage in unfair competition and hinder the order of fair competition in the market.

Article 55 (Early Warning Measures for Market Dominance) If a non-bank payment institution has one of the following circumstances, the People's Bank of China

may consult with the State Council's Anti-Monopoly Law Enforcement Agency to give an early warning of its adoption of interviews and other measures:

(1) A non-bank payment institution's market share in the non-bank payment service market reaches one third;

(2) The total market share of the two non-bank payment institutions in the non-bank payment service market reaches one-half;

(3) The total market share of the three non-bank payment institutions in the non-bank payment service market reaches three-fifths.

Article 56 (Confirmation of Market Dominant Position) In any of the following circumstances, the People's Bank of China may consult the State Council's Anti-monopoly Law Enforcement Agency to review whether non-bank payment institutions have a dominant market position:

(1) A non-bank payment institution's market share in the national electronic payment market reaches one-half;

(2) The total market share of the two non-bank payment institutions in the national electronic payment market reaches two-thirds;

(3) The total market share of the three non-bank payment institutions in the national electronic payment market reaches three-quarters.

Under the circumstances specified in the second and third items of the preceding paragraph, where the market share of the non-bank payment institution involved is less than one-tenth, the State Council's Anti-Monopoly Law Enforcement Agency shall not be consulted to examine whether the non-bank payment institution has a dominant market position .

Article 57 (Regulatory Measures for Market Dominance) If a non-bank payment institution fails to follow the principles of safety, efficiency, integrity and fair competition, and seriously affects the healthy development of the payment service market, the People's

Bank of China may propose to the State Council's anti-monopoly law enforcement agency to stop Measures such as abuse of market dominance, cessation of centralization, and separation of non-bank payment institutions according to the type of payment business.

Article 58 (Industry Self-discipline Management) The China Payment and Clearing Association shall carry out industry self-discipline management in accordance with the law and accept the supervision and guidance of the People's Bank of China.

The China Payment and Clearing Association shall formulate industry self-discipline standards for non-bank payment institutions, and organize implementation after reporting to the People's Bank of China for record.

Article 59 (Payment Guarantee Fund) Non-bank payment institutions shall pay a payment guarantee fund for use in mitigating and disposing of risks of non-bank payment institutions.

Regulations on the management of the payment guarantee fund shall be separately formulated by the People's Bank of China in conjunction with relevant departments.

Chapter V Legal Liability

Article 60 (Prudent Supervision Measures) If a non-bank payment institution has one of the following circumstances, the People's Bank of China may suspend part or all of its payment business in accordance with the principle of prudential supervision until its payment business license is revoked:

- (1) The accumulated loss exceeds 50% of its registered capital;
- (2) Since the date of obtaining the permit, some or all of the payment business has not been substantially carried out, or some or all of the approved payment business has been suspended for more than 2 consecutive years;
- (3) The classification and rating results for 2 consecutive years are the lowest;

(4) There are situations that have a significant adverse effect on the stable operation of the payment service market.

Article 61 (Liability of Non-Bank Payment Institutions for Violation of Regulations) If a non-bank payment institution violates the provisions of these Regulations and has one of the following circumstances, the People's Bank of China and its branches shall order it to make corrections within a time limit, give warnings based on different circumstances, and confiscate illegal income. If the illegal income is more than 100,000 yuan, a fine of 1 to 5 times the illegal income shall be imposed; if there is no illegal income or the illegal income is less than 100,000 yuan, a fine of 100,000 yuan but less than 500,000 yuan shall be imposed; 10% to 20% of the fines are imposed on a daily basis; if the circumstances are serious, the People's Bank of China and its branches may order them to stop new business, suspend part or all of their payment business, or order them to adjust directors, supervisors, senior manager:

(1) Failing to use the word "payment" in the name in accordance with these regulations;

(2) Failure to establish and implement relevant compliance management systems, internal control management systems, business management systems, risk management systems, emergency response plans, or protection measures for the legitimate rights and interests of users in accordance with these regulations;

(3) Failure to go through relevant filing procedures in accordance with these regulations;

(4) Failing to submit and keep relevant information and materials in accordance with the provisions of these Regulations or failing to submit relevant information and materials in a timely and accurate manner;

(5) Failing to publicly disclose relevant matters in accordance with these regulations;

(6) Failing to handle matters other than the change of the actual controller in accordance with the regulations;

(7) Failing to establish a branch company in accordance with the regulations;

(8) The relevant system facilities and technology do not meet the management regulations;

(9) Failing to fulfill the requirements for innovation business filing, major event filing, and risk event reporting in accordance with these regulations;

(10) Other violations of laws and regulations stipulated by the People's Bank of China based on the principle of prudential supervision and protection of users' legitimate rights and interests.

Article 62 (Liability of Non-bank Payment Institutions for Violation of Regulations)

If a non-bank payment institution violates the provisions of these Regulations and has one of the following circumstances, the People's Bank of China and its branches shall order it to make corrections within a time limit, give warnings and suspend its processing according to different circumstances Part or all of the payment business, confiscation of illegal income, illegal income of more than 500,000 yuan, a fine of 1 to 5 times the illegal income; if there is no illegal income or the illegal income is less than 500,000 yuan, a fine of 500,000 yuan to 2 million yuan Fines; if the circumstances are serious or fail to make corrections within the time limit, the People's Bank of China shall order them to suspend all payment services or restrict their business types and scope until their payment business license is revoked; if a crime is constituted, criminal responsibility shall be investigated according to law:

(1) Transferring, leasing, or lending payment business licenses;

(2) Conducting payment business beyond the approved business scope or outsourcing core business;

(3) Failing to adopt continuous and effective identification measures for customers and special merchants in accordance with the provisions of these regulations, and failing to independently complete special business qualification reviews, service agreement signing, and continuous risk monitoring of merchants;

(4) Failure to store, use, or manage reserve funds in accordance with the regulations;

(5) Failing to handle changes in the actual controller in accordance with these regulations, deliberately concealing the actual controller, or transferring equity in non-bank payment institutions in disguise;

(6) Unauthorized modification of the matters involved in the licensing conditions and a significant impact on the organization's operations;

(7) Interrupting payment business without justifiable reasons;

(8) Failing to collect, use and save user information in accordance with these regulations;

(9) Refusing, obstructing, evading inspection and investigation, falsely reporting, concealing, or destroying relevant materials;

(10) Carrying out or carrying out liquidation business in a disguised form;

(11) Engaging in credit granting activities or in disguised form;

(12) Failure to process electronic payment instructions in accordance with these regulations;

(13) Failing to carry out cross-border payment business in accordance with these regulations;

(14) Failure to perform business termination procedures in accordance with these regulations;

(15) Failing to handle payment account business in accordance with these regulations or calculating interest for users or opening payment accounts in violation of regulations;

(16) Non-bank payment institutions engaged in payment transaction processing business illegally retain sensitive account information;

(17) Conducting unfair competition in violation of the provisions of these Regulations and hindering the order of fair market competition;

(18) Other violations of laws and regulations stipulated by the People's Bank of China based on the principle of prudential supervision and protection of the legitimate rights and interests of users.

Article 63 (Liability for Violation of Controlling Shareholders and Actual Controllers) If the controlling shareholder or actual controller of a non-bank payment institution violates the provisions of these Regulations and has one of the following circumstances, the People's Bank of China and its branches shall order them to make corrections within a time limit. Confiscated illegal gains, where the illegal gains are more than 100,000 yuan, a fine of 1 to 5 times the illegal gains; if there is no illegal gains or the illegal gains are less than 100,000 yuan, a fine of 100,000 to 500,000 yuan; if a crime is constituted, Investigate criminal responsibility according to law:

(1) Circumventing supervision, manipulating the market, or disrupting market order;

(2) Conducting affiliated transactions maliciously or maliciously using affiliated relationships;

(3) Transferring the shares held by non-bank payment institutions within 3 years from the date of becoming the controlling shareholder or actual controller of the non-bank payment institution;

(4) Other violations of laws and regulations stipulated by the People's Bank of China based on the principle of prudential supervision and protection of the legitimate rights and interests of users .

Article 64 (Anti-Monopoly Regulations) Where non-bank payment institutions commit monopolistic activities, the Anti-Monopoly Law Enforcement Agency of the State

Council in conjunction with the People's Bank of China shall impose penalties in accordance with relevant laws and regulations.

Article 65 (Pricing Regulations) Any non-bank payment institution's relevant fee-charging behavior that violates the price laws and regulations shall be punished by the price authority of the State Council in conjunction with the People's Bank of China in accordance with relevant laws and regulations.

Article 66 (Anti-Money Laundering Regulations) If a non-bank payment institution fails to fulfill its anti-money laundering and anti-terrorist financing obligations, the People's Bank of China and its branches shall be punished in accordance with relevant national anti-money laundering laws, administrative regulations, and rules; If the circumstances are serious, the People's Bank of China shall revoke its payment business license; if a crime is constituted, criminal responsibility shall be investigated according to law.

Article 67 (Breach of Payment Account Regulations) If a non-bank payment institution fails to establish a sound payment account management system, fails to perform due diligence obligations, and facilitates illegal activities, the People's Bank of China and its branches shall order them to make corrections within a time limit, Confiscation of illegal income, illegal income of more than 100,000 yuan, a fine of 1 to 5 times the illegal income; if there is no illegal income or the illegal income is less than 100,000 yuan, a fine of 100,000 to 500,000 yuan; if a crime is constituted, Investigate criminal responsibility in accordance with the law.

If the number of payment accounts opened by non-bank payment institutions used for renting, lending, selling and other illegal activities exceeds a certain number, which affects the order of the payment service market, the People's Bank of China may order it to stop new business or suspend some or all of its payments Business for 6 months; if the circumstances are serious or have a major impact on the stable operation of the payment

service market, the People's Bank of China may order it to suspend part or all of its payment business until its payment business license is revoked.

Where a payment account holder opens a payment account anonymously, in a pseudonym, or under a false name, or rents, lends, or sells a payment account, the People's Bank of China and its branches shall transfer the relevant administrative penalty information to the basic financial credit information database; if the circumstances are serious, it is not a bank. The payment institution shall not open a payment account or handle payment account business for the payment account holder within 5 years.

Article 68 (Legal Liability for Obtaining Licensing by Fraud) If the applicant applies for the establishment of a non-bank payment institution by fraud, false capital injection, circular capital injection, or capital contribution from non-self-owned funds such as entrusted funds or debt funds, the applicant is not approved. And its actual controller shall not reapply or participate in the application for the establishment of a non-bank payment institution within 3 years.

If the application for the establishment of a non-bank payment institution by fraud, false capital injection, circular capital injection, or non-own capital contribution such as entrusted funds, debt funds, etc., has been approved, the People's Bank of China and its branches shall order it to terminate the payment business, Revoke its payment business license; if a crime is constituted, criminal responsibility shall be investigated according to law; the applicant and its main shareholders, controlling shareholders and actual controllers shall not reapply or participate in the application for payment business license within 3 years.

Article 69 (Handling by Unlicensed Institutions) Any institution or individual who engages in payment business without approval or in disguised form shall be dealt with in accordance with the relevant provisions of the Regulations on Prevention and Handling of Illegal Fund Raising.

If a non-bank payment institution provides payment business channels for institutions and individuals that engage in payment business without authorization or in disguised form, the People's Bank of China and its branches shall order them to rectify within a time limit, confiscate the illegal gains, and impose illegal gains of more than 500,000 yuan. A fine of more than 1 time and less than 5 times of the income; if there is no illegal income or the illegal income is less than 500,000 yuan, a fine of 500,000 yuan up to 2 million yuan shall be imposed; if it is not corrected within the time limit, it may be ordered to suspend business for rectification or restrict its business type and scope Until the payment business license is revoked; if a crime is constituted, criminal responsibility shall be investigated according to law.

Article 70 (Liability of Senior Executives for Violation of Regulations) Where a non-bank payment institution is punished in accordance with the provisions of these Regulations, based on the specific circumstances, the directors, supervisors, senior management and other personnel who are directly responsible may be given warnings at the same time, and Impose a fine of 50,000 yuan up to 500,000 yuan.

If a non-bank payment institution violates the provisions of these Regulations and the circumstances are serious, the People's Bank of China may prohibit the directors, supervisors and senior managers directly responsible for serving as directors, supervisors and senior managers of non-bank payment institutions for a certain period of time or for life. Supervisors or senior managers.

Article 71 (Responsibility for Violation of Regulations by the People's Bank of China) The staff of the People's Bank of China and its branches shall be given administrative sanctions in accordance with the law in any of the following circumstances; if a crime is constituted, criminal responsibility shall be investigated in accordance with the law:

- (1) Violating regulations to review and approve non-bank payment institutions' application for establishment, modification, termination, etc.;
- (2) Disclosing known state secrets, commercial secrets or personal privacy;
- (3) Other acts of abuse of power and negligence of duty.

Chapter VI Supplementary Provisions

Article 72 (Requirements for Filing of Payment Information Service Institutions)

The establishment of a payment information service institution shall register with the China Payment and Settlement Association within 30 days from the date of registration by the market supervision and management department. The specific requirements for the record shall be separately stipulated by the China Payment and Clearance Association.

The term "payment information service institution" as mentioned in these Regulations refers to an institution that provides users with information inquiry services or electronic payment instruction information transfer services for one or more bank accounts or payment accounts held by them.

Article 73 (Regulations for Payment Information Service Institutions) The China Payment and Clearing Association shall perform its duties of supervision and management of payment information service institutions in accordance with the law, establish and improve the dynamic rating management mechanism of payment information service institutions, industry risk information sharing mechanism, and information on practitioners Registration and integrity file management mechanism, market exit mechanism.

Payment information service organization corporate governance, user identification and management, account access and storage methods, data preservation, agreement signing, information collection, use and processing, electronic payment instruction transfer, technology and security standards, innovative business, management of major

issues, The supervision and management requirements of fair competition and other aspects shall be implemented with reference to the relevant provisions of these regulations on non-bank payment institutions.

Article 74 (Transitional Arrangement) A non-bank payment institution that has obtained a payment business license before the implementation of this Regulation shall meet the conditions stipulated in this Regulation within one year from the date of implementation of this Regulation. If the conditions stipulated in these regulations are not met within the time limit, the People's Bank of China shall suspend its business in accordance with the principle of prudential supervision; if it refuses to stop its business or has other serious circumstances, the People's Bank of China shall revoke its payment business license.

Article 75 (Effective Date) These Regulations shall come into force on year, month and day.