

Trading in Renminbi



Whether you're selling goods and services into China or buying from Chinese suppliers, it's good to trade in the key currency, the Renminbi (RMB).

The significance of Renminbi has grown steadily since the Chinese Government liberalised its use in global trade and now there are many operational advantages for importers and exporters to use it.

Main benefits

Conducting international business in Renminbi may help you to:

- ▶ Benefit from discounts or preferential terms as an importer
- ▶ Gain an advantage with Chinese customers as an exporter
- ▶ Minimise your foreign exchange costs with an RMB currency account
- ▶ Make payments to both mainland China and offshore accounts
- ▶ Hold Renminbi in an RMB currency account
- ▶ Exchange RMB against other currencies on a "spot" basis
- ▶ Secure forward cover against RMB payables and receivables.

Four ways we'll help

Our portfolio of RMB services provides you with four key facilities:

1. Payments capability

We can make payments to both mainland China and offshore accounts. For payments to mainland China, you must include details of the trade transaction (Purchase Order and/or Invoice Number) in the payment message.

- a. The transaction must be for the sole purpose of settling a trade transaction.
- b. The payment must contain an invoice or purchase order number relating to the trade transaction. If the payment does not contain an invoice or purchase order number the payment may be delayed.
- c. Payments can only be made to companies and not individuals.

- d. The 12-digit CNAPS (China National Advanced Payment System) number must be provided. If the payment does not contain a CNAPS number the payment may be delayed or returned unpaid and incur additional charges.
- e. The relevant Purpose of Payment Code (see list below) **must** be inserted in Field 72:

PURPOSE OF PAYMENT CODE	REASON FOR PAYMENT
"/TRADE/GOODS"	Cross-border settlement conducted for trade in goods
"/TRADE/SERVICE"	Cross-border settlement conducted for trade in services
"/CURRENT/TRF"	Other current-account transactions e.g. Remittance of profits
"/CAPITAL/TRF"	Cross-border capital transfer

- f. All information must be in English; Chinese characters are not acceptable.
- g. There is a requirement to retain documentary evidence of the underlying invoice for seven years.

2. RMB currency accounts

We can offer RMB currency accounts for you to receive and hold Renminbi, pending either currency conversion or subsequent outward payments.

3. Foreign exchange facilities

We can assist you in managing your China currency risk, by helping you transact spot deals and currency risk management trades. As with any foreign exchange, we appreciate that each approach has different merits and potential pitfalls and we would be delighted to work with you to develop an approach that works for you.

4. RMB trade services

For importers

- ▶ If your Chinese supplier requires an RMB – denominated Import Letter of Credit*, we can provide it and process all the associated documentation
- ▶ We can process RMB-denominated inbound documentary collections
- ▶ We can provide RMB-denominated import loans* for agreed terms linked to your trading cycle.

For exporters

- ▶ If you've arranged a Letter of Credit with your Chinese customer, we can process the documentation – and may "confirm" payment of the credit to give you extra security
- ▶ We can process RMB-denominated outbound documentary collections
- ▶ We can provide RMB-denominated export loans* and discount (i.e. make early payment on) bills of exchange accepted by Chinese importers and guaranteed by their bank
- ▶ To help you win contracts in China, we can provide a full range of contract bonds and guarantees, including bid and performance bonds* and advance payment guarantees.

*Subject to credit status.

At a glance

Key facilities: Bank of Scotland's portfolio of RMB services provides you with:

- ▶ RMB international payments capability
- ▶ RMB currency accounts
- ▶ Foreign exchange facilities
- ▶ Full trade-related services (Documentary Credits, Collections, Contract Guarantees and Trade Finance).

CHANGES IN THE EXCHANGE RATE MAY INCREASE THE STERLING EQUIVALENT OF YOUR DEBT. All enquiries for foreign currency accounts will be referred to a specialist manager who will provide more information about charges for these services upon request.

Documentary Letters of Credit are subject to internationally agreed banking rules (ICC Uniform Customs and Practice for Documentary Credits).

RMB is not a freely convertible currency and the conversion and settlement of RMB – including any remittance, payment, activity or other transaction related to or denominated in RMB – is subject to certain restrictions under prevailing laws and regulations, which may change from time to time.

Any facilities referred to in this Factsheet are subject to contract and status and nothing contained in this Factsheet is intended to be an offer of facilities or to create legal relations with you.

 Contact your relationship manager

 Go to bankofscotland.co.uk/business

Our Service Promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures are published at bankofscotland.co.uk/business/contactus

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use Relay UK. More information on the Relay UK Service can be found at: relayuk.bt.com/

Bank of Scotland plc. Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628.

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.