




Frequently Asked Questions

OCBC Renminbi Business Account Opening

Section A: Renminbi (RMB) Business Account

1. Who is eligible to open the Renminbi Business Account?

Companies* which meet the following criteria :

- Companies which have or will conduct cross-border trade transactions with their Chinese counterparts in Renminbi.
- Trade transactions include :
 -  **Import** – Letter of Credit • Import Documentary Collection • Banker's Guarantee (strictly trade-related and subject to acceptability of format)
 -  **Export** – Export LC Negotiation • LC Advising • LC Confirmation • LC Transfer • Export Documentary Collection
 -  **Open Account Telegraphic Transfer**

Trade must be with the designated and approved Chinese enterprises in China.

2. What is the account opening process and documentation required?

For Sole Proprietors and Partnerships, comprising natural persons, NRICs or Passports are to be produced for account opening at any OCBC Bank Branch.

An incorporated company or a LLP is required to submit its Board Resolution or Minutes of Meeting and, in the case of a company, a certified true copy of its Memorandum & Articles of Association (M&A).

For more details or copy of the Renminbi Business Account Application Form, please :

- Visit OCBC website – <http://www.ocbc.com/download/application%20forms/RMBBizAccountAppForm.pdf>
- Visit any OCBC Bank Branch
- Call us at (65) 6538 1111.

The existing account opening process and documentation will apply.

3. The company has an existing Corporate Account with OCBC Bank Singapore. Can the company open a Renminbi Business Account? If so, what sort of documentation do you require?

Yes, the company can apply for this Renminbi Business Account as long as it meets the condition mentioned in Question (1) above.

For existing Corporate Account holders applying for a subsequent account, the company may simply fill up the Renminbi Subsequent Account Opening Form if the company's existing Board Resolution covers subsequent account opening.

For a copy of the RMB Subsequent Account Application Form, please:

- Visit any OCBC Bank Branches
- Call us at (65) 6538 1111.

*Companies include Sole Proprietors, Partnerships/Limited Partnerships, Limited Liability Partnerships, Private Limited and Societies/Clubs/Associations.

4. What is the initial deposit required to open the Renminbi Business Account?

Companies are not required to place any initial deposit in the Renminbi Business Account.

Deposit into the account is allowed when the company is ready to perform trade transactions with the designated and approved Chinese enterprises with documentary evidence of Purchase.

5. Are there any bank charges or is there any minimum balance required to be maintained in the Renminbi Business Account?

Companies are not required to maintain any minimum balance in the Renminbi Business Account as all funds to be maintained in the account must be for the settlement of trade transactions.

However, an early account closure penalty fee of RMB288 will apply if the account is closed within 12 months from date of account opening.

A monthly service fee of RMB88 will be levied after 12 months of account opening.

6. Can an individual open a Renminbi Business Account with OCBC Singapore?

Only Companies with a business presence in Singapore are allowed to open a Renminbi Business Account with OCBC Bank Singapore for the purpose of cross-border trade settlement with the designated and approved Chinese enterprises.

7. For exporters, are there any restrictions to converting (periodically) excess funds in the Renminbi Business Account at OCBC Bank Singapore to other currencies like USD or SGD? Is further documentation required?

As long as the previous foreign exchange conversions are supported by underlying trade transactions, customers are allowed to convert excess RMB in their Renminbi Business Account with OCBC Singapore into other currencies like USD or SGD.

However, OCBC Bank Singapore may at any time without prior notice to the customer refuse to accept or limit the amount for such conversions.

8. For importers, how can the company fund its Renminbi Business Account with OCBC Bank Singapore? Can I just buy RMB and sell USD or SGD with OCBC Bank Singapore?

If the conversion is to support trade transactions with the designated and approved Chinese enterprises with documentary evidence of the Purchase, OCBC Bank Singapore will provide an exchange rate for the customer to buy RMB (against USD, SGD or other currencies) to fund his Renminbi Business Account up to the Purchase amount.

9. Is it possible for the customer to get an overdraft line for his Renminbi Business Account?

No. OCBC Bank Singapore is not allowed to provide financing in RMB.

10. What interest rates can the customer receive on his Renminbi Business Account balances?

No, the Renminbi Business Account is a non-interest earning account.

11. What is the overdraft/excess interest charge for the Renminbi Business Account?

There will not be any interest charge as financing/overdraft is not allowed in RMB.

12. Can the company apply for Velocity@ocbc and eAlerts@ocbc services for its Renminbi Business Account?

No, Velocity@ocbc and eAlerts@ocbc services are currently not available for Renminbi Business Account.

13. Can the company deposit/withdraw the RMB in cash/cheque from its Renminbi Business Account?

No. This is because the China's Renminbi Trade Settlement Pilot Programme is intended to promote the use of RMB for international trade.

14. Will a RMB cheque book be issued from the Renminbi Business Account?

No cheque book will not be issued for the RMB Business Account.

15. Can the company open a Renminbi Fixed Deposit Account?

No, Renminbi Fixed Deposit is not available at the moment.

Section B: RMB Telegraphic Transfers

16. Can the Telegraphic Transfer (TT) in RMB (CNY) be paid to individuals?

Companies in Singapore can only pay in RMB strictly to the designated and approved Chinese enterprises approved by the Chinese authorities during this pilot phase. The purpose of the payment is strictly for trade related settlement.

17. Must the company open a Renminbi Business Account for the TT?

No. The company can effect RMB TT from its existing accounts (in other currencies). The exchange rate will be quoted upon processing of the telegraphic transfers.

18. Where are the RMB exchange rates published?

As transactions in RMB are restricted to the designated and approved Chinese enterprises for trade settlement only, therefore the RMB exchange rate will not be published. The exchange rate will be contracted/quoted at point of processing of the transaction by the bank.

19. When the company submits the TT application to OCBC Bank branch, will it be able to obtain the CNY (FX) rate on the spot (at the branch)?

The CNY (FX) rate is not published and the rate will only be contracted at point of processing of the telegraphic transfer. Therefore the exchange rate will not be quoted and provided on the spot or at any OCBC Branch. The exchange rate for the TT will be available on the debit note/advice.

20. How will the company know the exchange rate applied for the RMB TT?

The exchange rate for the TT will be available on the debit note/advice.

21. Can I/we be notified of the rate prior to processing? Do I/we have the option to refuse the rate?

As the funding and processing of the RMB (CNY) transaction have to meet the cut-off time for value on the same day, we are unable to notify you of the rate before the processing of the transaction. The rate contracted will be displayed in the debit advice that will be sent to you upon successful processing of the RMB (CNY) transaction.

22. What is the cutoff time for the RMB payment/TT?

The TT application form must reach OCBC Bank Singapore before 1200hr for payment value same day.

23. Can the company effect the RMB TT via Velocity@ocbc?

As this is a pilot programme, RMB TT via Velocity@ocbc is not currently available. Please submit your TT to Branch via the bank's standard application form.

24. What will happen if the RMB TT is made to a company that is not one of the designated and approved Chinese enterprises?

OCBC Bank Singapore will not be able to proceed with the payment. The company will have to re-submit the application in alternative currency.

25. Can the company receive RMB payments?

Yes, the company can receive RMB payments into its Renminbi Business Account with OCBC Singapore. Documentary evidence on the Sales is not required.

26. What is the payment instruction to receive RMB payments?

Payment should be made to the company's Renminbi Business Account (name and number) to :

Beneficiary Bank :

Oversea-Chinese Banking Corporation Limited
Singapore (Swift Code: OCBCSGSG)

Intermediary Bank :

Bank of China,
Shanghai Branch (Swift Code: BKCHCNBJ300)

27. What are the RMB TT charges?

The existing TT pricing per Business Pricing Guide shall apply. This does not include the agent or correspondent bank charges (in China), if any.