



## **RMB Cross-Border Trade Settlement** **Frequently-Asked-Questions**

### **Q: What are the criteria for Renminbi (RMB) Trade Transactions?**

- A: a. It is strictly for cross-border trade settlements.  
b. Trade settlements are restricted to 273 Pilot Enterprises in China at the moment.

### **Q: What are the advantages for companies in cross-border trade RMB settlement?**

- A: With RMB as a settlement currency for trade in China, the exchange rate fluctuation risks and business costs resulting from unforeseen market conditions are greatly reduced. China, as one of the fastest growing country in the world, plays a significant role in ASEAN and thus creates an ample business opportunities for companies who trade between China and Malaysia.

### **Q: What kind of transactions can companies in Malaysia engage OCBC Bank (M) Berhad (OBMB) and OCBC Al-Amin Bank (OABB)?**

- A: It is strictly for cross-border trade-related transactions.

### **Q: Do companies in Malaysia allowed to have RMB trade transaction with any counterpart in China?**

- A: No. Companies in Malaysia can only transact in RMB with the Pilot Enterprises approved by the Chinese government during this pilot phase.

### **Q: How can a company in Malaysia remit RMB to the Pilot Enterprises in China?**

- A: During application of remittance(s), it is mandatory for a company to provide documentary evidence(s) that proof the remittance is trade related (procurement of goods from pilot enterprises at pilot cities).

### **Q: Can a company in Malaysia hedge its RMB receivables or payables with OBMB/OABB?**

- A: No. Forward hedging is not allowed at this moment.



**Q: What types of products/services are offered by OBMB/OABB for RMB cross border trade transaction settlement?**

A: The types of products/services offered are:

- a. Issuance and Payment of Letter of Credit in RMB
- b. Bank Guarantee in RMB (Payment Guarantee for Supply of Goods only)
- c. Inward and Outward Remittances in RMB
- d. Advising, Confirmation and Export Bill for Payment under Letter of Credit in RMB
- e. Documentary Collection (Import and Export) in RMB

**Q: Can OBMB/OABB provide funding in RMB?**

A: No. Funding in RMB is not allowed at this moment.

**Q: Can a company in Malaysia receive inward TT from Pilot Enterprises in RMB?**

A: Yes, Inward TT is available at OBMB & OABB.

**Q: If a customer in Malaysia has another CNY account with another bank in Malaysia, can the company transfer RMB between these two CNY accounts?**

A: No. RMB is not allowed to be transferred between CNY accounts in Malaysia as all outward remittances need documentary evidence(s) and to be remitted to Pilot Enterprises only.

**Q: Where can a customer in Malaysia get the list of Pilot Enterprises?**

A: The list is made available at OCBC Bank's website.

**Q: Can a customer in Malaysia retain the RMB proceeds that they received from the Pilot Enterprises in their CNY account?**

A: Yes. There are no restrictions by People's Bank of China (PBOC) on handling of inward TT to Malaysia.

**Q: Can a customer in Malaysia perform RMB transactions via Velocity@ocbc?**

A: Yes, customer may perform RMB outward TT via Velocity@ocbc.