

# Legal Commentary

August 14, 2025

## Cross-Border Cash Pool – Reform and Integration

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On April 1, 2025, the People’s Bank of China (“**PBoC**”) and the State Administration of Foreign Exchange (“**SAFE**”) jointly issued the *Notice on Issuing the Administrative Measures for Integrated RMB and Foreign Currency Cash Pooling of Multinational Corporations (Draft for Comments)*<sup>1</sup> (“**Draft High-version Cash Pooling**”), aiming to promote nationwide the relatively mature High-version Cash Pooling (defined below) policies developed in earlier pilot programs. On July 25, 2025, PBoC and SAFE jointly issued the *Notice on Issuing the Administrative Measures for Centralized Operation and Management of Cross-Border RMB and Foreign Currencies by Multinational Corporations (Draft for Comments)*<sup>2</sup> (“**Draft Low-version Cash Pooling**”), in order to achieve nationwide application of the relatively mature Low-version Cash Pooling (defined below) policies developed in earlier pilot programs.

### I. Evolution of various cross-border cash pooling regimes

Prior to 2020, there existed two separate regimes: the cross-border two-way RMB cash pooling led by PBoC, and the SAFE version cash pooling. At that time, if a multinational corporation (“**MNC**”) needed to pool RMB and foreign currency (“**FCY**”) funds, the same corporate group had to establish separate RMB and FCY cash pools, resulting in high construction and maintenance costs for the MNC. In addition, cross-border two-way RMB cash pooling was regulated by varying policies. For example, in Shanghai, there were three types of cross-border two-way RMB cash pooling businesses, operated respectively under: (1) the *Notice of the People’s Bank of China on Further Facilitating Multinational Enterprise Groups in Operation of the Cross-Border Two-way RMB Cash Pooling Business* (“**National Version**”); (2) the *Notice of Shanghai Head Office of People’s Bank of China on Efforts to Promote Cross-Border Use of RMB in China (Shanghai) Pilot Free Trade Zone* (“**Shanghai FTZ Version**”); and (3) the *Notice on Further Expanding Cross-Border Financial Service Functions in Pilot Free Trade Zones to Support Scientific and Technological Innovation and the Real Economy* (“**FT Version**”).

Given the variety of cash pooling regimes, differing thresholds, and complex applicability, since 2021, PBoC and SAFE have actively explored an integration plan to better support effective use of cash pooling. This resulted in pilot programs for the integrated RMB and FCY cash pooling of MNCs (“**High-version**

<sup>1</sup> <http://www.pbc.gov.cn/tiaofasi/144941/144979/3941920/5650333/index.html>.

<sup>2</sup> <http://www.pbc.gov.cn/tiaofasi/144941/144979/3941920/5791563/2025072517061862808.pdf>.

Cash Pooling”) and the centralized operation of cross-border funds (“Low-version Cash Pooling”).

To facilitate your understanding of the integration, we summarize below the evolution of High-version Cash Pooling and Low-version Cash Pooling regimes:

- **High-version Cash Pooling Pilot 1.0:** In March 2021, PBoC and SAFE issued the *People’s Bank of China and the State Administration of Foreign Exchange Further Facilitating the Overall Use of Cross-Border Funds by MNCs*, and selected five large and high-credit-rating MNCs each in Beijing and Shenzhen to implement the first-batch pilot of integrated RMB and FCY cash pooling. High-version Cash Pooling 1.0 combined the policy advantages of PBoC’s RMB cash pooling and SAFE’s FCY cash pooling, i.e., (1) appropriately adjusted foreign debt and overseas lending quotas, (2) allowed FCY settlement funds in the domestic master (sub-) fund account of the head company to be directly transferred to the RMB domestic master (sub-) fund account, (3) enabled funds in the domestic master fund account to be directly downstream swept to proprietary accounts of member enterprises for related businesses, and (4) permitted voluntary FCY purchases within certain quotas.
- **High-version Cash Pooling Pilot 2.0:** In July 2022, PBoC and SAFE announced that an upgraded pilot program of the integrated RMB and FCY cash pooling shall be expanded to 8+“2” regions, including Shanghai, Beijing, Jiangsu, Zhejiang, Guangdong, Hainan, Shaanxi, Ningbo, Qingdao, and Shenzhen. High-version Cash Pooling Pilot 2.0 mainly: (1) increased the number of pilot regions and enterprises; (2) allowed MNCs to handle centralized receipts and payments in both RMB and FCY for overseas member enterprises domestically; and (3) further facilitated cross-border receipts and payments in RMB for MNCs.
- **High-version Cash Pooling Pilot 3.0:** In December 2024, adhering to the principle of “iterative upgrading and phased promotion”, PBoC and SAFE further upgraded the policies across all ten regions in pilot 2.0. In January 2025, new regulations for integrated RMB and FCY cash pooling, including but not limited to the *Pilot Management Regulations of the Integrated RMB and FCY Cash Pooling Business of Multinational Companies in Shanghai*, were issued in Beijing, Guangdong, Shanghai, and other regions, commonly referred to as High-version Cash Pooling 3.0. Key measures included: (1) enhancing the convenience of cross-border fund flow for MNCs, allowing MNCs to handle related businesses within foreign debt and overseas lending quotas directly upon payment instructions; (2) allowing the head company to handle centralized receipts and payments on behalf of overseas member enterprises with domestic member enterprises or other overseas entities, provided the transaction background is authentic and compliant; (3) increasing the flexibility of cross-border fund flow by allowing partial consolidation of foreign debt and overseas lending quotas for MNCs while moderately retaining flexibility in financial arrangements for individual member enterprises; (4) allowing cross-currency lending among domestic member enterprises for cross-border payments under current accounts to reduce financing costs; and (5) simplifying filing procedures and diversifying available filing methods by delegating such functions not involving foreign debt or overseas lending quotas such as capital account changes and changes to the names of the head company or member enterprises to cooperating banks.
- **Expanding the High-version Cash Pooling Nationwide:** The release of the Draft High-version Cash

Pooling is intended for nationwide application of the relatively mature High-version Cash Pooling policies developed from the earlier pilots.

- **Low-version Cash Pooling Pilot 1.0:** In May 2023, PBoC and SAFE announced optimized and upgraded policies on the centralized cross-border operation and management of RMB and FCY funds by MNCs in Beijing, Guangdong, and Shenzhen to support centralized operations of cross-border RMB funds by MNCs. From June to July 2023, local SAFE branches in these three regions issued the *Administrative Measures for Centralized Operation and Management of Cross-Border RMB and FCY Funds by MNCs (Pilot Scheme)*.
- **Expanding the Low-version Cash Pooling Nationwide:** The release of the Draft Low-version Cash Pooling is intended to achieve nationwide application of the relatively mature Low-version Cash Pooling policies developed from the earlier pilots.

## II. Comparison and analysis of regulatory policies for various cash pools

Item	Cross-border two-way RMB cash pooling			Centralized operation of cross-border funds by MNCs	Integrated RMB and FCY cash pooling		Centralized operation of cross-border RMB and FCY funds by MNCs	
	National Version	Shanghai FTZ Version	FT Version		High-version 3.0	Draft High-version Cash Pooling	Low-version 1.0	Draft Low-version Cash Pooling
<b>Regulatory authority</b>	PBoC			SAFE	PBoC and SAFE			
<b>Applicable regions</b>	Nationwide	Shanghai	Regions with FT account systems (e.g., Shanghai, Guangdong, Shenzhen, Hainan, and Tianjin)	Nationwide	Ten provinces and cities, including Shanghai, Beijing, Jiangsu, Zhejiang, Guangdong, Hainan, Shaanxi, Ningbo, Qingdao, and Shenzhen	Nationwide <i>(The cash pools in the pilot provinces and cities that apply High-version 3.0 shall continue to be handled under existing regulations, and the Draft High-version Cash Pooling shall not apply)</i>	Beijing, Guangdong, and Shenzhen	Nationwide
<b>Legal basis</b>	<i>Notice of the People's Bank of China on Further Facilitating Multinational Enterprise Groups in Operation of the Cross-Border Two-way RMB Cash Pooling</i>	<i>Notice of Shanghai Head Office of People's Bank of China on Efforts to Promote Cross-Border Use of RMB in China (Shanghai) Pilot Free Trade Zone (Yin Zong Bu Fa [2014] No.22)</i>	For example, in Shanghai, the <i>Notice on Expanding Cross-Border Financial Service Functions in Pilot Free Trade Zones to Support Scientific and</i>	<i>Administrative Measures on the Centralized Cross-Border Operation and Management of Funds by MNCs (Hui Fa [2019] No.7)</i>	For example, in Shanghai, the <i>Pilot Management Regulations of the Integrated RMB and FCY Business for MNCs in Shanghai</i>	<i>Notice on Issuing the Administrative Measures for Integrated RMB and FCY Cash Pooling of MNCs (Draft for Comments)</i>	<i>Administrative Measures for Centralized Operation and Management of Cross-Border RMB and FCY Funds (Pilot Scheme) (Shen Wai Guan [2023] No.16 / Yue Hui Fa [2023])</i>	<i>Notice on Issuing the Administrative Measures for Centralized Operation and Management of Cross-Border RMB and FCY Funds by MNCs (Draft for</i>

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	<i>Business (Yin Fa [2015] No.279)</i>		<i>Technological Innovation and the Real Economy (Yin Zong Bu Fa [2016] No.122)</i>				<i>No.19 / Jing Hui [2023] No.25)</i>	<i>Comments)</i>

**Analysis:**

Once the Draft High-version Cash Pooling and Draft Low-version Cash Pooling are formally issued, there will be three types of cash pooling operating in the market:

- **High-version Cash Pooling:** High-version Cash Pooling is designed primarily for large MNCs, which features high eligibility criteria, large fund transfer limits, and greater operational convenience. Eligible MNCs across the country may establish High-version Cash Pooling under the Draft High-version Cash Pooling. Among these, cash pooling activities in the High-version 3.0 pilot regions (Shanghai, Beijing, Jiangsu, Zhejiang, Guangdong, Hainan, Shaanxi, Ningbo, Qingdao, and Shenzhen) will continue to follow the existing High-version Cash Pooling Pilot 3.0 regulations and are not subject to the Draft High-version Cash Pooling.
- **Low-version Cash Pooling:** Low-version Cash Pooling is characterized by lower eligibility requirements, which allows a broader range of enterprises to participate. Correspondingly, the cross-border autonomous fund transfer limits and operational convenience are lower than those of the High-version Cash Pooling, which are designed to effectively manage risks associated with cross-border fund flows. From the Draft Low-version Cash Pooling coming into effect, all new cash pooling arrangements (excluding High-version Cash Pooling) as well as existing FCY cash pooling businesses conducted under Hui Fa [2019] No.7 shall comply with the Draft Low-version Cash Pooling.
- **Existing cross-border two-way RMB cash pooling:** According to the Draft Low-version Cash Pooling, enterprises operating existing RMB cash pooling business under Yin Fa [2015] No.279 (i.e., the National Version cross-border two-way RMB cash pooling) may continue their existing cash pooling model, and are encouraged to gradually transit to Low-version Cash Pooling. Although the Draft Low-version Cash Pooling does not specify how other types of existing RMB cash pooling (e.g., Shanghai FTZ Version and FT Version) will be treated, the explanatory notes to the Draft Low-version Cash Pooling state that, “for existing RMB cash pooling business, given market entities’ preferences and differences in management approaches, blanket merge of the existing RMB cash pooling business into the Low-version Cash Pooling poses certain challenges, and enterprises are supported to choose autonomously and encouraged to transition to Low-version Cash Pooling”. We therefore understand that these other types of existing RMB cash pooling should also be treated in a similar way as the National Version of cross-border two-way RMB cash pooling.

In practice, to the best of our knowledge, although the Draft High-version Cash Pooling and Draft Low-version Cash Pooling have not yet taken effect, PBoC and SAFE have, in principle, suspended acceptance of new applications for the original RMB or FCY cash pooling. Furthermore, some banks are preparing termination agreements for existing cross-border two-way RMB cash pooling arrangements to facilitate the transition to Low-version Cash Pooling. Signing such termination agreements is not mandatory under the Draft Low-version Cash Pooling, but is intended to accommodate the practical needs of MNCs that opt for transition. As a prudent approach, banks may consider advising MNCs that plan to transition to Low-version Cash Pooling to first file for Low-version Cash Pooling registration and, by any deadlines set by SAFE and / or PBoC, fully settle all receivables and

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payables and fulfill related obligations under the existing cross-border two-way RMB cash pooling before closing such cash pool.								
<b>Pooling currency</b>	RMB	RMB	First-tier: RMB and FCY; Second-tier: RMB	RMB and FCY	RMB and FCY	RMB and FCY	RMB and FCY	RMB and FCY
<b>Head company</b>	Domestic or overseas enterprise	Enterprise in the FTZ	Enterprise in the FTZ or overseas enterprise with an FT account	Domestic enterprise	Domestic enterprise	Domestic enterprise	Domestic enterprise	Domestic enterprise
<b>Settlement bank(s)</b>	Up to three	Up to one	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
<b>Filing method</b>	Filing with the central sub-branch of the PBoC at or above the deputy-provincial level in the place of residence of the head company			Filing with the corresponding SAFE sub-bureau or management department through the SAFE branch at the location of the head company	Filing with the provincial-level SAFE sub-bureau either directly or through the SAFE branch at the location of the head company (subject to local regulations)	Filing with the provincial-level SAFE sub-bureau through the SAFE branch at the location of the head company	Filing with the local SAFE branch at the location of the head company	Same as Low-version 1.0
<b>Analysis:</b> Compared to other SAFE-regulated cash pooling, under Low-version 1.0 and the Draft Low-version Cash Pooling, the filing authority has been shifted downward from provincial SAFE branches to SAFE branches at the location of the head company.								
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>Total business income of the domestic</li> </ul>	No requirements for operating duration or business income, etc.	At least three domestic or overseas production or operating	Combined balance of international receipts and payments of	<ul style="list-style-type: none"> <li>Total business income of the domestic member enterprises in</li> </ul>	Same as High-version 3.0	<ul style="list-style-type: none"> <li>Total balance of international receipts and payments in</li> </ul>	On top of eligibility criteria under Low-version 1.0, an extra

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	<p>member enterprises in the previous year <math>\geq</math> RMB 1 billion; <b>and</b></p> <ul style="list-style-type: none"> <li>■ Total business income of the overseas member enterprises in the previous year <math>\geq</math> RMB 200 million; <b>and</b></li> <li>■ Domestic and overseas member enterprises have been established for more than one year</li> </ul>		<p>member enterprises shall be included in the pool</p>	<p>domestic member enterprises in the previous year <math>&gt;</math> USD 100 million (<math>&gt;</math> USD 50 million in FTZ)</p>	<p>the previous year <math>\geq</math> RMB 10 billion <b>and</b> total balance of international receipts and payments in RMB and FCY in the previous year <math>\geq</math> RMB 7 billion or equivalent; <b>and</b></p> <ul style="list-style-type: none"> <li>■ Total business income of the overseas member enterprises in the previous year <math>\geq</math> RMB 2 billion or equivalent; <b>and</b></li> <li>■ Total number of domestic and overseas member enterprises shall be not less than three</li> </ul>		<p>RMB and FCY of all domestic member enterprises in the previous year <math>\geq</math> RMB 700 million or equivalent (<i>350 million</i>); <b>or</b></p> <ul style="list-style-type: none"> <li>■ Total business income of all domestic member enterprises in the previous year <math>\geq</math> RMB 1 billion (<i>500 million</i>), and the total business income of all overseas member enterprises in the previous year <math>\geq</math> RMB 200 million (<i>100 million</i>)</li> </ul>	<p>requirement shall apply – “total number of domestic and overseas member enterprises shall be no less than three”</p>
<p><b>Analysis:</b> Compared with the High-version Cash Pooling, the eligibility criteria for Low-version Cash Pooling have been significantly reduced to 1/10 of those for integrated RMB and</p>								

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<p>FCY cash pooling, and satisfying either the international receipts and payments requirement or the business income requirement would suffice. <i>For head companies registered in FTZs, the eligibility criteria are further reduced by half (as indicated by the italicized text in brackets above).</i> Additionally, under High- and Low-version Cash Pooling, even enterprises in FTZs must meet certain business income or international receipts and payments standards and no longer enjoy the almost “zero-threshold” benefit available under cross-border two-way RMB cash pooling.</p>								
<b>Partial quota centralization</b>	No	No	No	No	Yes	Yes	Yes	Yes
<b>Quota control</b>	No risk-weighted balance for foreign debt / overseas lending				Risk-weighted balance for foreign debt / overseas lending shall not exceed the centralized foreign debt / overseas lending quota Risk-weighted balance for foreign debt = $\Sigma$ RMB and FCY foreign debt balance + $\Sigma$ FCY foreign debt balance * exchange rate risk conversion factor Risk-weighted balance for overseas lending = $\Sigma$ RMB and FCY overseas lending balance + $\Sigma$ FCY overseas lending balance * currency conversion factor			
	Net outflow (inflow) limit = accrued owner’s equity of the cash pool × macro-prudential policy factor Accrued owner’s equity of the cash pool = $\Sigma$ (owner’s equity of domestic member enterprises × shareholding ratio of the	No quota limit	The “second-tier” centralization of RMB funds (between overseas or FTZ head companies and non-FTZ domestic member enterprises) shall follow a two-way quota control, under which the net outflow (inflow) limit = accrued owner’s	■ Centralized foreign debt quota $\leq \Sigma$ (audited owner’s equity of the head company and centralized domestic member enterprises as at the end of the previous	■ Centralized foreign debt quota = (latest audited owner’s equity of the head company + $\Sigma$ (latest audited owner’s equity of domestic member enterprises × centralization ratio)) × cross-border financing	Same as High-version 3.0	Same formula as High-version 3.0, except that “owner’s equity” is calculated based on the audited data as at the end of the previous year	Same as High-version 3.0

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	multinational corporate group)		equity of the cash pool × macro-prudential policy factor, and the centralization and sweeping of funds must be carried out in RMB only	year) × cross-border financing leverage ratio × macro-prudential adjustment factor ■ Centralized overseas lending quota for MNCs ≤ Σ (audited owner's equity of the head company and centralized domestic member enterprises as at the end of the previous year) × overseas	leverage ratio × macro-prudential adjustment factor ■ Centralized overseas lending quota = (latest audited owner's equity of the head company + Σ (latest audited owner's equity of domestic member enterprises × centralization ratio)) × overseas lending leverage ratio × overseas lending macro-prudential adjustment factor			

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				lending leverage ratio × macro-prudential adjustment factor				
<p><b>Analysis:</b> High- and Low-version Cash Pooling introduce the concept of risk-weighted balances for foreign debt / overseas lending, which explicitly require that risk-weighted balances for foreign debt / overseas lending shall not exceed centralized foreign debt / overseas lending quotas. This is intended to encourage settlements in RMB, as settlements in FCY will additionally consume the cash pool quota.</p>								
<b>Limits on use of funds</b>	The funds shall not be invested in securities, financial derivatives, or non-self-use real estate. They shall not be used for the purchase of wealth management products or for making entrusted loans to non-member enterprises	There are no explicit restrictions; however, in practice, similar limitations as those under the National Version shall apply	The funds shall not be used for non-self-use real estate and investments in the stock market	The current regulations on “capital account - settlement to be paid account” in terms of use of funds thereunder shall apply	Sweeping from the capital account to the domestic master fund account shall comply with the relevant negative list management requirements	Same as High-version 3.0	Sweeping from capital account to the domestic master fund account shall not be used directly or indirectly (via member enterprises) for expenditures beyond the enterprise’s business scope or for such purposes prohibited by national laws and regulations, for loans to non-affiliated enterprises, or for	Same as High-version 3.0

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							direct or indirect investment in securities / wealth management products or non-self-use real estate	
<p><b>Analysis:</b> Following the issuance of the <i>Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Cross-Border Trade and Investment Facilitation</i> at the end of 2023, both the Draft High-version Cash Pooling and Draft Low-version Cash Pooling uniformly apply the negative list for the use of capital account funds to the funds swept from capital account to the domestic master fund account, i.e., the use of capital contributions, FCY income under foreign debt, and the RMB funds exchanged from such FCY funds must follow the principles of authenticity and self-use, and may not be used, directly or indirectly, for expenditures prohibited by national laws and regulations. Unless otherwise specified, such funds may not be used for securities investment or other investment and wealth management products (except for wealth management products and structured deposits with a risk rating not higher than level 2); for lending to non-affiliated enterprises (except where explicitly permitted in the business scope, or in the four designated areas: Lingang New Area of China (Shanghai) Pilot Free Trade Zone, Nansha New Area of China (Guangdong) Pilot Free Trade Zone, Yangpu Economic Development Zone of China (Hainan) Free Trade Port, and Beilun District of Ningbo City, Zhejiang Province); or for the purchase of non-self-use residential real estate (except by enterprises engaged in real estate development or leasing business).</p>								
<b>Centralized receipts and payments</b>	Supporting the head company or other designated member enterprises to handle centralized cross-border RMB receipts and payments under current accounts for domestic and overseas	Supporting enterprises in Shanghai FTZ to conduct centralized cross-border RMB receipts and payments under current accounts for domestic and overseas affiliated enterprises based on their own operating and management	Capable of handling centralized receipts and payments within the group and with members on its supply chain	Supporting the head company to handle centralized receipts and payments of funds under current accounts for domestic member enterprises via the domestic master fund account	Supporting the head company via the domestic master fund account to: <ul style="list-style-type: none"> <li>handle centralized receipts and payments of funds under current accounts for domestic member enterprises</li> </ul>	Supporting the head company via the domestic master fund account to: <ul style="list-style-type: none"> <li>handle centralized receipts and payments of funds under current accounts for domestic member</li> </ul>	Supporting the head company to handle centralized receipts and payments of funds under current accounts for domestic member enterprises via the domestic master fund account	Applying trade facilitation policies based on Low-version 1.0, under which cooperating banks may apply pilot facilitation policy upon filing, and the head company and member enterprises can apply the

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	member enterprises <sup>3</sup>	needs. Domestic and overseas affiliated enterprises include the member companies that are mainly connected by capital and investment-related relations within the group, as well as enterprises outside the group that have supply-chain relations and close trade relations with group enterprises <sup>4</sup>			<ul style="list-style-type: none"> <li>■ handle centralized receipts and payments in RMB and FCY with overseas entities on behalf of overseas member enterprises</li> <li>■ handle centralized receipts and payments in RMB and FCY with domestic member enterprises on behalf of</li> </ul>	enterprises <ul style="list-style-type: none"> <li>■ handle centralized receipts and payments in RMB and FCY with overseas entities on behalf of overseas member enterprises</li> </ul>		facilitation policies to their centralized receipt and payment or netting settlement of current account funds within the cash pool if they qualify as high-quality facilitation pilot enterprises

<sup>3</sup> Strictly speaking, with respect to the National Version cross-border two-way RMB cash pooling, the essence of the cash pooling is the internal sweeping and centralization of surplus and deficit within a MNC group. It cannot be used for profit repatriation, capital contributions, outbound direct investment (ODI), inward or outward remittance of funds related to goods and services trade, or other cross-border fund transfers through the cash pool. In addition, centralized receipts and payments under the current account cannot be conducted via the cash pooling. The cross-border RMB centralized receipts and payments under the current account is an independent business from the National Version cross-border two-way RMB cash pooling, in accordance with the *Notice of the People's Bank of China on Matters concerning Centralized Cross-Border RMB Fund Operation Conducted by Multinational Enterprise Groups* (Yin Fa [2014] No. 324). For simplicity purposes, this article does not distinguish strictly between these two different businesses.

<sup>4</sup> Similar to the National Version cross-border two-way RMB cash pooling, strictly speaking, the cross-border RMB centralized receipts and payments business under the current account in the pilot region is an independent business from the cross-border two-way RMB cash pooling in the pilot region, handled in accordance with the *Notice of Shanghai Head Office of People's Bank of China on Efforts to Promote Cross-Border Use of RMB in China (Shanghai) Pilot Free Trade Zone*. For simplicity purpose, this article does not distinguish strictly between these two different businesses.

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					overseas member enterprises			

**Analysis:**

- (1) Compared to the cross-border two-way RMB cash pooling in Shanghai FTZ Version and FT Version, High- and Low-version Cash Pooling no longer support centralized receipts and payments for overseas member enterprises with domestic supply chain enterprises;
- (2) High-version 3.0 supports the head company to handle centralized receipts and payments for overseas member enterprises with domestic member enterprises via the domestic master fund account, but this function is not included in the Draft High-version Cash Pooling, which indicates that it may only be available in the ten pilot regions of High-version 3.0; and
- (3) Low-version 1.0 and the Draft Low-version Cash Pooling generally maintain the scope of centralized receipts and payments under SAFE's cash pooling regime (i.e., centralized cross-border fund operations by MNCs). They only support the head company in handling centralized receipts and payments of current account funds for domestic member enterprises. The Draft Low-version Cash Pooling incorporates recently introduced foreign exchange facilitation policies, allowing enterprises that meet certain criteria to apply preferential policies for centralized receipt and payment of current account funds in the cash pool. These preferential policies include facilitation policies for foreign exchange receipts and payments for trades by high-quality enterprises, cross-border trade high-level opening pilot programs, and higher-level trade and investment facilitation pilots, such as those outlined in the *Notice of the State Administration of Foreign Exchange on Expanding the Pilot Program of High-Level Opening Up in Cross-Border Trade and Investment* (Hui Fa [2023] No.30) and the *Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote Cross-Border Trade and Investment Facilitation* (Hui Fa [2023] No.28).

## ***Important Announcement***

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