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**From:** desmond\_shum(沈栋) [REDACTED]  
**Sent:** Monday, May 23, 2011 8:11 AM  
**To:** jeffrey epstein  
**Subject:** 转发: RE: China as offshore booking centre

J,

Please see the following meeting summary. Followings actions needed are also specified.

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We have met with senior executives of two major Chinese banks based in Shanghai, to discuss the regulatory requirements, the banks' current operation and service capability of offshore banking yesterday (May 19th). The key findings are as follows:

1. Regulatory requirement

- a) There are four Chinese banks with licenses to provide offshore banking service (the banks that we met with are two of them). These banks are allowed to open accounts for foreign companies and individuals to take deposits of foreign currency, and there is no approval required for money transfer in and out of offshore bank accounts (provided they are not in/out of onshore bank accounts).
- b) If there is no pre-existing bilateral agreement, Chinese banks will not take actions against bank accounts based on the unilateral request of other countries, while Chinese banks are obligated to abide by the resolutions of international organizations that China joined. For example, Chinese banks will need to block the bank accounts opened by Iranian, Libyan, and Yemenese based on resolutions of UN and/or IMF.

2. Current operation and service capability

- a) Currently Chinese banks' offshore banking business is in developing stage and of small scale. Total offshore banking operations in China amounts to about USD 100 B.
- b) Current clients are mainly Chinese companies who have offshore funds for international trade or foreign investment. There are few foreign clients.
- c) Based on current capability, the service can be offered to foreign family clients include:

- i. Open accounts
- ii. Clearing (online/24 hours)
- iii. Some foreign exchange and/or interest rate related products

d) As a bulk of Chinese banks' offshore banking service is clearing, and no much offerings in asset management. Chinese banks' offshore business units have not established direct connections with stock exchanges yet.

In summary, there are no regulatory constraints but may have service capability gap for Chinese banks as offshore asset booking centre. For next step, we will need your help to:

- 1. provide detailed service requirement so that we can liaise with Chinese banks to identify and assess service gap
- 2. allocate a support personnel so that we can complete ground work

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Thanks,  
Martin