

20120130 Chinese Government: China to continue crackdown on hot money inflow says SAFE

Source: Chinese Government

China will continue to crack down on illegal cross-border capital flow this year in an aim to protect the country's economic and financial security, the country's top foreign exchange regulator said.

The State Administration of Foreign Exchange (SAFE) investigated 3,488 cases of foreign exchange irregularities in 2011, and confiscated a total of 503 million yuan (79.59 million U.S.dollars) in illegal funds, more than twice that collected in the previous year, the organization said.

The SAFE has investigated 17 major cases that allowed illegal cross-border capital to flow into the property and financial markets, which involved 19.3 billion yuan, according to the SAFE.

In the past year, the SAFE has also cracked down on illegal private banks, Internet-based speculation in foreign exchange and illegal foreign exchange trading, and has severely punished those who had illegally borrowed foreign loans and settled foreign exchange transactions, it said.

The SAFE vowed that it will further strengthen the monitoring of foreign exchange transactions and prevent risks from abnormal cross-border capital flow.

NovaRes Team