2015 Sino-Australian VET Forum

Building successful cross border partnerships – impact of deregulation and better payment platforms

September 2015 Hobart Tasmania
What we will cover today

1. High level observations on the Sino-Australia education collaboration activities and regulatory framework
   中澳教育合作活动和监管框架高级别意见

2. Financial infrastructure available to support cross border activities
   金融基础设施来支持跨境活动
   - Supporting institutions 支持学术机构
   - Supporting student mobility 支持学生流动

3. Building successful partnerships 建立成功的关系
   - understand the basics of doing business in China 了解在中国做生意的基本知识
   - understand the basics of doing business in Australia 了解在澳大利亚做生意的基本知识
Overall China has a total 55 joint institutions and 956 joint programs. Of this Australia represents 139 joint programs and 3 joint institutions.

Australia – China Joint Programs

Source: Ministry of Education
China is on a journey of further reforming its economic structure by way of market liberalization (the 12th Five Year Plan).

**Liberalisation of RMB**
1. The relaxation of RMB currency control and strong promotion of RMB as the international settlement currency

**Notice 168**
1. Cross Border RMB Further Simplified (Documentation)
2. RMB Cross Border Lending (Sweeping)
3. Simplification of Tax Docs for FCY Payments (Excl Merchandise Trade)
4. Liberalisation of Interest Rates

**Expansion of Free Trade Zones (SH, GD, TJ, FJ)**
1. FTZs, opening a defined district to international markets
2. Included in scoped industries is Social Service under the title of Educational and professional training institutions could be set up on a foreign-cooperative basis
3. Allow for establishment of Sino-foreign cooperative joint venture education and training institutions, Sino-foreign cooperative joint venture vocational skills training institutions

**Payment to Individuals**
1. Emerging deregulation for RMB payments to individuals
2. Regulation still being adopted and banks carrying various interpretation

**What Next**
- Further liberalisation of the Capital Account
- China will launch a China International Payment System (CIPS) which is SWIFT-compatible. Direct payments with China will become easier
Remitting funds in and out of China is getting easier

ANZ RMB Capability

ANZ is the **only** Australian bank with **both wholesale and retail banking licences** to deal in Renminbi (RMB), China’s local currency.

ANZ advantage: 澳新的優勢
Holding both licences means that ANZ can directly convert AUD to RMB – without a licence other financial institutions convert AUD to USD then USD to RMB.

For clients this means: 澳新客戶優勢
- **Reduction and better management of foreign exchange risk**
- **Full visibility of the progress of client’s payments**
- **Ability to negotiate better terms with Chinese suppliers/buyers**
- **Can save clients valuable time and money**
<table>
<thead>
<tr>
<th>Solutions for Institutions in China 解方案</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection of Proceeds</strong></td>
</tr>
<tr>
<td><strong>Managing RMB Expenses</strong></td>
</tr>
<tr>
<td><strong>Hedging RMB Exposure</strong></td>
</tr>
<tr>
<td><strong>Navigating Environment</strong></td>
</tr>
<tr>
<td><strong>Support Offshore Campus</strong></td>
</tr>
<tr>
<td><strong>Student Mobility</strong></td>
</tr>
<tr>
<td>International Students solutions 留学生方案</td>
</tr>
<tr>
<td>-------------------------------------------</td>
</tr>
<tr>
<td><strong>Tuition Payment Scheme</strong> 学费付款计划</td>
</tr>
<tr>
<td><strong>Pre-Departure</strong> 离境前</td>
</tr>
<tr>
<td><strong>Post-Arrival</strong> 到达后</td>
</tr>
</tbody>
</table>

*Information in this presentation is general in nature and is valid at the date this was prepared. ANZ recommends you seek independent legal, taxation and financial advice before considering or implementing any solution.*
**Helping International Students be Australia ready**

**Pre Departure Support**
- **Resources in 33 markets to assist agents and offshore events**
  - 我们有33个市场资源，协助代理活动
- **Online account opening including ANZ 1+1 Benefits**
  - 网上开户
- **Reduce the risk of students travelling with cash**
  - 减轻学生带现金风险

**Post Arrival Support**
- **International Branch Network**
  - 国际分行服务
- **Financial literacy training**
  - 金融知识培训
- **Customised credit policy**
  - 定制信贷政策

**ANZ Funds Transfer Scheme**
- **Due diligence check on financial capacity**
  - 在财政能力进行尽职调查检查
- **Streamline the enrolment process**
  - 简化注册过程
There are many benefits in utilising RMB payments solutions.

**RMB (Renminbi) Tuition Payment Solution – China**

### BENEFITS TO EDUCATION PROVIDER

- Gain a competitive advantage in potentially attracting more students from mainland China. 吸引中国大陆更多学生
- Simple bank account structure between China and Australia that enables local collection and cross-border funds flow in RMB. 账户能够跨境资金流动
- Online banking access and control of funds in China – enabling easier and earlier reconciliation. 网上操作账户
- Acceleration of cash flow due to local collection of receivables. 加速现金流动
- Specialist FX support in managing RMB exposures. 外汇专家帮助处理外汇风险

### BENEFITS TO CHINESE STUDENTS

- The ability to pay tuition fees in their base currency, locally, without having to remit AUD or USD offshore. 能够在场负学费
- This solution eliminates the need for foreign exchange transactions and therefore foreign currency quota usage. 避免外汇交易
- Same-day RMB remittance to ANZ China. 现金当日到达账户
- Students are only subject to domestic remittance charges in paying funds within China. No offshore remittances involved. 节省费用

---

\(^1\) ANZ endeavors to make funds available to your institution within 24 hours of receipt from students – this is not guaranteed and is contingent on timely presentation of certain documents by students, locally, to ANZ India. Please refer to slide 4 for details.
Doing Business in China 中国营业

- Understand what is in it for your partner 了解生意合伙人的益处

- Ensure you work through the financial elements of collaboration agreements before moving forward 确保您读过合同再做决定

- Patience – things take time 必须要有耐心

- Build relationships at all levels – they are often built during social engagement 建立关系

- Research and due diligence is the foundation for success 做好研究

- Know your market – China is a vast & diverse country – no such thing as a one China strategy 了解市场

- Competition is intense – Be specific about your service / product & your niche 竞争很激烈

- Be conservative in your expectations 保守预期

- Be specific with documentation 文件必须具体

- Chinese language is paramount 中文沟通

- Where required, engagement with municipal regulators 需要的话，请教市级监管

*Information in this presentation is general in nature and is valid at the date this was prepared. ANZ recommends you seek independent legal, taxation and financial advice before considering or implementing any solution.*
Foreign entities can establish themselves in Australia as a branch operation, or a new company operating within Australia. There are a number of factors which attract business to Australia.

☑ Simple business establishment 容易开展业务 Australia ranks 2nd in the world for ease of setting-up a new business

☑ Receptive to foreign investment 接受外国投资. Government policy encourages Asia Pacific based business investors. Regulations are set by the Australian Securities and Investments Commission (ASIC).

☑ Shelter from global downturns 经济稳定. Australia is perceived as a low-risk marketplace for foreign business investors. The economy proved resilient through the global financial crisis of 2008-09, and is well positioned to weather any future global shocks.

☑ Regional advantages 有利地位. Australia’s workforce is highly-skilled and multicultural. Political and banking system stability makes Australia an ideal base for businesses in the Asia Pacific region.
Get the right advisor 運用專業

- Leave nothing to chance be prescriptive 不要靠运气
- Understand the market entry vehicles – what works for your business 了解什么您的企业
- Get across the differences in hiring & corporate culture 获取跨在雇用和企业文化的差异
- Protect your intellectual property 保护您的知识产权
- Get your banking right the 1st time – regulatory & documentary requirements are significant 搞好银行业务
- Get the right advisors early and ensure you have a detailed engagement letter 得到正确的意见
- Allow time and resources to deal with government & bureaucracy 花时间和资源来处理与政府有关的业务

*Information in this presentation is general in nature and is valid at the date this was prepared. ANZ recommends you seek independent legal, taxation and financial advice before considering or implementing any solution.*
Respect and understand culture differences is the first step towards success. 即便文化的不同，尊重和理解也是迈向成功的第一步.
ANZ’s Super–Regional Strategy: To be a super regional bank in the Asia Pacific with global scale and targeted regional focus, whilst growing its core Australia and New Zealand markets.

- By partnering with ANZ, your institution can leverage off ANZ’s deep knowledge and extensive networks to improve the experience of the university, its international students, parents, staff and alumni and to increase student mobility between its various campuses and offshore locations.

- ANZ combines global scale with local expertise across 33 markets around the globe, including 15 geographies in Asia and is now the leading Australian Bank in the Asia Pacific.

- ANZ has 220 branches and approximately 24,319 points of representation in Asia-Pacific and employs 13,000 people throughout the Asia-Pacific, Europe and America.

- ANZ has set up two regional hubs in Singapore and Hong Kong, is one of four leading banks in Indonesia and has the largest foreign bank franchise in the Greater Mekong.

- ANZ was the first Australian bank to incorporate in China and has banking licences in Vietnam, Indonesia, Singapore, China, Hong Kong, Cambodia, Laos, Philippines, India, Japan, and Taiwan.

- ANZ was recognised in the Greenwich Associates 2013 Large Corporate Banking Survey as one of the top 4 Asian corporate banks.

ANZ’s global footprint largely mirrors the existing and potential international student markets for Australian universities.
ANZ in CHINA 澳新在中國

<table>
<thead>
<tr>
<th>Information</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANZ first entered China in 1986</td>
<td>1986 年进入市场</td>
</tr>
<tr>
<td>We are the only Australian bank fully licensed to provide banking products and services in local and foreign currency to local and overseas businesses.</td>
<td>为当地和海外企业提供本地和外币的银行产品和服务的唯一澳大利亚银行</td>
</tr>
<tr>
<td>Over 700 people on the ground supporting your banking requirements</td>
<td>700 多个员工</td>
</tr>
<tr>
<td>Commercial offices in 4 key cities:</td>
<td>4个商业办公</td>
</tr>
<tr>
<td>Shanghai, Beijing, Hangzhou and Guangzhou</td>
<td>上海、北京、杭州和广州</td>
</tr>
<tr>
<td>Retail branches across 6 cities:</td>
<td>6个分行</td>
</tr>
<tr>
<td>Shanghai, Beijing, Guangzhou, Chongqing, Hangzhou and Chengdu</td>
<td>上海、北京、广州、重庆、杭州和成都</td>
</tr>
<tr>
<td>Strategic alliances with partner banks:</td>
<td>与本地银行合作</td>
</tr>
<tr>
<td>Shanghai Rural &amp; Commercial Bank and Bank of Tianjin</td>
<td>上海农村商业银行和天津银行</td>
</tr>
</tbody>
</table>

ANZ can support you on the ground in China with:
- a local English speaking Relationship Manager to manage your Chinese banking needs
- access to various in country specialists, for example Trade, Markets and Transaction Banking
- various personal and retail banking solutions

connect you with:
- Shanghai Rural & Commercial Bank and Bank of Tianjin to provide you with further regional connections
- our local business contacts to support your in country business needs

and provide you with:
- locally produced research papers with insights into Chinese industries and business (where available)

For more information about China and other countries where ANZ has a presence please refer to: anz.com/iasia
Thank you 謝謝

Jonathan Wang 王冠閎

Director – Asia Pacific Desk 亞太業務部 總監
ANZ Super Regional Business Development
Corporate & Commercial Banking 企業及商業銀行
DISCLAIMER

As at June 2013:

IMPORTANT NOTICE

Australia and New Zealand Banking Group Limited is represented in various countries.

Country specific information:

Australia and United Kingdom. This document is distributed in Australia and in the United Kingdom by Australia and New Zealand Banking Group Limited ("ANZ"). ANZ holds an Australian Financial Services licence no. 234527 and is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA").

New Zealand. This document is distributed in New Zealand by ANZ Bank New Zealand Limited ("ANZ NZ").

Information relevant to all countries:

The distribution of this document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

This document is issued on the basis that it is only for the information of the particular person to whom it is provided. This document may not be reproduced, distributed or published by any recipient for any purpose. The recipient should seek independent financial, legal, tax and other relevant advice and should independently verify the accuracy of the information contained in this document.

Under no circumstances is this document to be used or considered as an offer to sell, or a solicitation of an offer to buy, or a recommendation or advice to buy or sell or not to buy or sell any product, instrument or investment, to effect any transaction or to conclude any legal act of any kind whatsoever.

If, despite the foregoing, any services or products referred to in this document are deemed to be offered in the jurisdiction in which this document is received, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts.

From time to time ANZ, ANZ NZ, ANZ S, ANZ Panin, ANZ VN, ANZ C, ANZ Europe, their affiliated companies, or their respective associates and employees may receive commissions or other remuneration in relation to the sale of the financial products described in this document. Such interests or dealings may directly or indirectly conflict with your interests.

The information in this document has been obtained from, and any opinions in this document are based upon, sources believed reliable at the date of this document. ANZ makes no representation as to the accuracy or completeness of the information and the information should not be relied upon as such. All opinions and estimates in this document reflect the author’s judgement on the date of this document (unless otherwise specified) and are subject to change without notice. ANZ does not guarantee the performance of any of the products mentioned and ANZ, ANZ NZ, ANZ S, ANZ Panin, ANZ VN, ANZ C, ANZ Europe, their affiliated companies, their respective directors, officers, and employees expressly disclaim any responsibility, and shall not be liable, for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly (and whether in tort, including negligence), contract, equity or otherwise out of or in connection with the contents of and/or any omissions from this document, or your receipt or use of it, except where a Liability is made non-excludable by legislation.

If this document has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept Liability for any errors or omissions in the contents of this document, which may arise as a result of electronic transmission.