

## Research Article

# The Study of Cross-Border Trade with Third-Party Payment Institutions in China

**Yina Zhu** 

*School of Finance, Anhui University of Finance & Economics, Bengbu 233030, China*

Correspondence should be addressed to Yina Zhu; 20201840@aufe.edu.cn

Received 30 July 2022; Accepted 30 August 2022; Published 19 September 2022

Academic Editor: Muhammad Nadeem

Copyright © 2022 Yina Zhu. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

The cross-border Renminbi (RMB) business volume of third-party payment institutions makes up a small share of China's total cross-border business, but there is still an absolute amount of trade that cannot be disregarded. The third-party payment institutions are subject to policy restrictions in the process of seeking development and business promotion and hope to obtain policy support in the business, transaction amount limit, identification, and other aspects. Recently, China has made a strict policy for third-party payment institutions and warned against issuing any new licenses concerning payment. On the other hand, 39 payment institutions' licenses have been canceled for various reasons. Under the premise that strict supervision becomes normal, all payment institutions should be more cautious to develop businesses legally.

## 1. Introduction

In the past few decades, the internationalization of RMB has made some achievements, but the bottleneck has emerged, and the current international political and economic environment has been very different from that in 2009 [1]. Under the background of the current world political and economic environment, how to further promote the internationalization of RMB is a common concern of Chinese officials and academia.

With the rapid development of cross-border e-commerce, third-party payment may be a breakthrough for the internationalization of RMB. With the continuous maturity of Internet technology and advanced transportation and communication means, the world is more closely connected. At present, China's total economy, total import and export trade volume, the flow of foreign students, the number of inbound and outbound tourists, and other indicators are at the forefront of the world. Trade development and personnel flow provide the basis for cross-border payment and give birth to the vigorous development of cross-border payment business. China's payment licenses have been issued since 2011. Since then, the number of third-party payment institutions has experienced the reality of a gradual decline to rapid

growth [2]. To serve the internationalization of RMB, national financial stability, third-party payment industry, and corresponding enterprises and individuals, this paper carries out corresponding research.

Firstly, the ultimate purpose of the cross-border RMB business of third-party payment institutions is to serve the national strategy of RMB internationalization [3].

Secondly, policy suggestions for financial stability are provided. With the rapid development of financial technology and the change and innovation of international trade mode in recent years, the degree of innovation and facilitation of payment mode has been continuously improved. The third-party payment provides payment convenience for economic development; meanwhile, the risk problem cannot be ignored. The risk problems in the third-party payment will bring some adverse aspects to China's financial stability. Objectively, we need to encourage development to adapt to appropriate supervision and serve the overall situation of national economic construction [4, 5].

Thirdly, a reference for industries and enterprises is provided. On how to promote the healthy development of third-party payment institutions on a benign track and standardize the behavior of third-party payment institutions, it is not enough to rely on the self-discipline of enterprises

and industries, and regulatory intervention is needed. Why regulation? What are the main regulatory aspects? Through the research of this paper, we hope to provide some useful references for the third-party payment industry and enterprises and hope that the industry and enterprises can consciously integrate into the cause of national financial development and make different contributions in their respective fields.

Theoretically, at present, there are many research articles both home and abroad on third-party payment institutions. However, with the vigorous development and prominent innovation of third-party payment, from the existing literature that can be retrieved, the research results of direct research on the cross-border RMB support policy and supervision of third-party payment institutions are relatively rare [6]. Therefore, this study has specific significance from the theoretical and academic levels.

Practically, the latest first-hand information can be obtained through the distribution, recovery, and sorting of the questionnaire. Through the analysis and judgment of the first-hand information, it can provide policy support for the national financial management institutions and provide some reference for the legal and compliant business of the industrial sector.

## 2. Overview of Cross-Border RMB Business of Third-Party Payment Institutions in China

At present, banking financial institutions have absolute advantages in the processing scale of payment business. They are the main force in China's payment industry. The influence of nonbanking payment institutions in China's retail payment market is prominent.

*2.1. Issuance of Payment Business License.* A payment business license is also known as a payment license. According to regulatory regulations, nonbanking financial institutions need a license first to carry out cross-border payment business. These licenses include the business license of cross-border payment, which is specifically divided into cross-border foreign exchange payment business license and cross-border RMB payment business license. Liu et al. [7] claimed that 56 institutions carried out cross-border payment businesses by the end of 2019. According to the newest data from the Payment & Clearing Association of China, in 2021, 43 payment institutions launched cross-border businesses with an aggregate amount of RMB972.36 billion.

*2.2. Business Model of Cross-Border Payment of Third-Party Payment Institutions.* There is no precedent for domestic payment institutions to participate in the payment and clearing system of other countries (regions). There are three modes of cross-border payment business of payment institutions: the first, cooperation with overseas payment institutions; the second, direct cooperation with overseas e-commerce platforms; and the third, cooperation with domestic banks.

*2.2.1. Cooperation with Overseas Payment Institutions.* Payment institutions can cooperate with overseas and local payment institutions that have obtained financial supervision licenses, including overseas subsidiaries with relevant business qualifications established by domestic payment companies and overseas and local payment institutions. If an overseas cooperative institution establishes an overseas bank account, its funds may be paid through the overseas bank account. By 2020, Alipay connects with more than 80 million companies and 2000 financial institutions. Its Chinese users have exceeded 1 billion, and its users outside China have exceeded 0.3 billion, thus greatly improving the ease of cross-border settlement. Alipay's technical strategy is *BASIC*, that is, Blockchain, AI, Security, the Internet of Things, and Cloud Computing, in which, the blockchain cross-border payment is derivative. Xiuting [8] used the technical ability to support Alipay for the successful payment in industrial fields.

*2.2.2. Cooperation with Overseas e-Commerce Platforms.* Payment institutions can directly provide services for overseas e-commerce platforms. In terms of cross-border RMB payment, in the import business, the domestic e-commerce platform will pay the payment to the reserve account of the payment institution, then transfer it to the cross-border RMB reserve account, and complete the cross-border payment by sending the customer's cross-border payment instruction to the cooperative bank. In the export business, the cross-border collection cooperative institution paid the payment to the cross-border RMB reserve account of the payment institution. Junwen et al. [9] studied that the cooperative bank can automatically transfer it to the reserve account of the payment institution after completing the cross-border income declaration, and the payment institution can complete the merchant capital settlement.

*2.2.3. Cooperation with Domestic Banks.* Payment institutions provide payment services for both parties of cross-border transactions, and domestic cooperative banks provide payment institutions with cross-border RMB collection and payment, cross-border foreign currency collection and payment, foreign exchange settlement and sales, the balance of payments declaration, and other services. When cooperating with domestic banks, payment institutions are faced with the problems of channel rate and deposit of reserves. However, since the provision was implemented in 2019 that deposit reserves should be 100%, it has been a great blow to the payment institutions. The profit space of the third-party payment institutions that could obtain the interest difference under the provision has disappeared. However, some studies believe that interest rate spread is not the key, and the bargaining power of channel fees is the key [10, 11].

*2.3. Overview of Cross-Border RMB Collection and Payment Business of Third-Party Payment Institutions.* In 2019, China's cross-border RMB receipts and payments amounted to RMB19.7 trillion. In the same year, the cross-border RMB collection and payment amount of third-party payment institutions reached RMB500.424 billion, accounting for

about 2.5% of the total people's collection and payment amount in that year. In terms of data comparison, the proportion of third-party payment institutions in China's cross-border RMB collection and payment is small, which can only add to the overall situation of RMB internationalization.

### 3. Cross-Border RMB Support Policies of the Third-Party Payment Institutions: Analysis Based on Questionnaire

On May 20, 2021, a total of 56 questionnaires were distributed to third-party payment institutions with cross-border RMB qualifications. On June 9, 2021, the first batch of questionnaires was returned, and a total of 47 questionnaires were recovered, including 42 valid questionnaires and 5 invalid questionnaires.

*3.1. Overview of Cross-Border RMB Business of Third-Party Payment Institutions in 2020.* Among the 42 valid questionnaires, the third-party payment institution with the largest cross-border RMB business scale in 2020 had a cross-border RMB business scale of about RMB189.2 billion, accounting for about 40% of the total business scale of the 42 questionnaires, which was prominent. In addition to the payment institution, there are nine third-party payment institutions with a cross-border people's business scale of more than 10 billion. The total scale of the top 10 cross-border RMB businesses accounts for about 94% of the total scale of cross-border RMB business of all surveyed third-party payment institutions, and the scale of the last 32 accounts for only 6% of the total scale (refer to Figure 1 for details).

*3.2. Policy Basis for the Development of Third-Party Payment Institutions.* According to the feedback of the questionnaire, the main policy basis of China's third-party payment institutions in the process of exhibition involves 9 aspects: laws, regulations, measures, interim measures, and detailed rules, notices, opinions, announcements, and guidelines, both local and repealed. In particular, the abolition category is due to the rapid development and change of business; some policies can no longer adapt to the current business development, and some original policies have been abolished.

*3.3. Difficulties and Pain Points of Third-Party Payment Institutions under the Existing Policy Framework.* Concerning the main problems encountered by third-party payment institutions in the process of business development, among the feedback questionnaires, 7 payment institutions made it clear that there is no problem at present.

Other third-party payment institutions with cross-border RMB payment business have more or less fed back the main problems or difficulties in the process of exhibition. Generally speaking, it involves seven aspects. Firstly, I think the business process is cumbersome. Secondly, they believe that the policies related to cross-border RMB payment are not clear and unified. They hope that the policies will be unified and that there will be standardized business guidance.

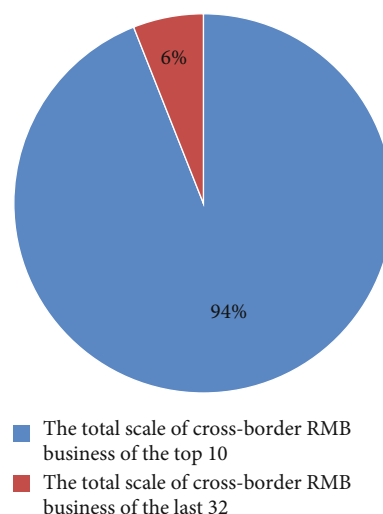


FIGURE 1: The total scale of cross-border RMB business.

Thirdly, they believe that there are practical obstacles in overseas business, including authenticity verification, the limited scope of a license, etc. Fourthly, we believe that we should deepen cooperation with domestic and foreign banks and further expand business areas. Because banks have strong customer relationships, they can provide high-quality customer protection to third-party payment institutions, which are supported by advanced digital technology, good computer analysis, and processing ability; the two complement each other. Fifthly, it is believed that there are other factors affecting business development, such as COVID-19 and identity. Sixthly, with the increasing use of third-party payment, the third-party payment platform user fund precipitation problem is serious and easily causes huge financial risks. As the use of third-party payments gradually increased, the number of funds invested significantly increased, and third-party payment institutions will be charged a large amount of interest, due to implicit improper handling of financial risks. Seventhly, in the industry of oligopoly competition, Alipay, Tenpay, and Yiqianbao occupy more than 90% of the third-party payment market share; most of the resources are monopolized by the oligopoly (refer to Figure 2 for details).

#### 3.4. Cross-Border RMB Support Policies That Third-Party Payment Institutions Want to Obtain

*3.4.1. They Hope to Promulgate Specific Measures for the Management of the Exhibition Industry, Allowing the Business Scope of the Exhibition Industry to Be Broader and Clearer.* Because WTO divides trade mode into merchandise trade and commercial service trade, this article divides the trade mode into goods trade and nongoods trade based on WTO standards.

In terms of goods trade, only cross-border e-commerce B2C business is supported at present, but there are more legal and compliant businesses in the current market. For third-party payment institutions, such businesses have more market space, such as B2B and other industries. Therefore, it

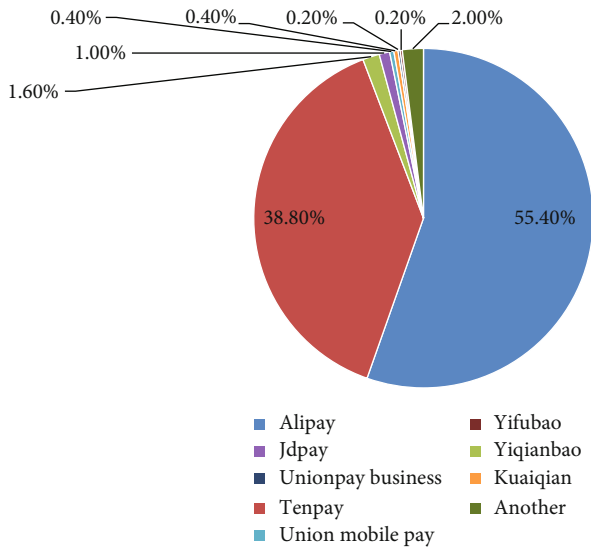


FIGURE 2: Third-party payment institution's market share. Data resource: [https://www.sohu.com/a/317379295\\_120057347](https://www.sohu.com/a/317379295_120057347).

is hoped that relevant departments can give third-party payment institutions a wider scope of business development, to facilitate their further expansion of cross-border RMB business.

In terms of nongoods trade, due to different business types, the relevant requirements of the government for information collection may affect the compliance of certain businesses. For example, in the digital industry, the whole payment and transaction are completed on the Internet, and there is no logistics delivery link because it is impossible to collect logistics information, resulting in the inability of third-party payment institutions to cooperate with similar industries. Similar problems are also reflected in online car rental, house rental, various member services, games, and other industries.

For many cross-border e-commerce providers, while recovering the sales revenue of overseas e-commerce platforms to China, there is also a demand for funds to continue to be used for normal operating expenses such as overseas warehouse, procurement, tax payment, and commercial insurance expenses. Based on this demand and the product basis of cross-border e-commerce collection, some third-party payment institutions are also constantly exploring their business or extending the service scope from the collection of existing cross-border e-commerce platforms. After receiving the sales revenue of e-commerce platforms, they continue to provide one-stop payment services and pay the received funds directly to their domestic goods suppliers or service providers. It is expected to provide good payment services for more domestic enterprises or individuals engaged in cross-border trade.

*3.4.2. It Is Hoped That the Single Transaction Limit of Service Trade Can Be Classified.* In principle, it is not allowed to exceed RMB300,000 for current trade and other service items. Some third-party payment institutions encounter the problem of a single transaction limit in the actual cross-

border RMB business exhibition. For example, in the payment scenario of studying abroad, college tuition fees are generally paid according to different school disciplines and years, which is generally more than RMB300,000. However, since split payment is not allowed, the third-party payment institutions are very limited in carrying out such business. In addition, for example, in other service trade scenarios under the current account, such as exhibition and conference services, there will also be more than RMB300,000 business scenarios, which will bring difficulties to the exhibition industry of third-party payment institutions according to the current regulations. It is hoped that the regulatory authorities can conduct research and analysis on such service trade based on the real transaction background and finally realize the classification limit [12–14].

*3.4.3. It Is Hoped That Relevant Departments Can Promulgate Cross-Border RMB Management Measures or Operation Guidelines as Soon as Possible.* At present, the standards for cross-border RMB business are not unified, and the regulatory provisions are diverse, resulting in no unified standard for third-party payment institutions to refer to when engaging in cross-border RMB business. If relevant departments can issue specific management measures or operation guidelines on cross-border RMB business and guide all third-party payment institutions to adopt unified cross-border RMB business standards, there will be a better and unified policy basis for the development of cross-border RMB business of third-party payment institutions, which is conducive to the further expansion of business of third-party payment institutions.

*3.5. They Hope to Improve the Relevant Policies of Export Tax Rebate.* There is a demand for an export tax rebate for cross-border e-commerce, but the RMB transaction flow distributed by domestic payment companies across the border cannot be used as the basis for the export collection of this e-commerce because the currency is RMB and the payment source is the provision of payment institutions, so the tax rebate cannot be handled. It is suggested to improve the export tax rebate policy to facilitate the export tax rebate of cross-border export e-commerce.

*3.6. They Hope to Further Improve the Facilitation of Cross-Border Trade Settlement.* In the current goods trade collection business, some third-party payment institutions will collect and review the customer's transaction information one by one in advance to meet the requirements of trade authenticity verification, resulting in increased system docking costs for customers, and some concerns about the impact of commercial privacy disclosure and transaction timelines. Therefore, some third-party payment institutions suggest further improving the facilitation of cross-border goods trade settlement based on risk and taking more convenient monitoring measures for the relevant businesses of high-quality platforms instead of the way of preaudit one by one, such as post transaction spot check. In addition, the development of trade under cross-border RMB services mainly depends on the risk control of various banks. It is



hoped that policy development will be given based on risk control. For example, each customer can encourage relevant businesses to leave the country and drive the growth of cross-border RMB business through facilitation measures such as annual restrictions on the amount of foreign exchange purchased and paid by cross-border people.

*3.7. It Is Hoped That the Explanation and Implementation of Policies by Relevant Departments Are Unified.* For cross-border RMB-related policies, in practice, both e-commerce enterprises and payment institutions are faced with the problem that many departments involved in cross-border policies fail to reach an agreement on policies. After the introduction of relevant policies, different institutions may have different understanding and interpretations of the policies, which brings confusion to the payment institutions engaged in cross-border RMB business. Therefore, the payment institutions hope that the relevant government departments can be more detailed and unified in the interpretation of the policies, to facilitate the smooth development of relevant businesses. At the same time, in terms of cooperation with banks, third-party payment institutions also hope that the cross-border audit standards and cross-border material requirements of banks can be unified, the operation process can be standardized, and the audit time can be shortened, to make cross-border transactions more smooth and fast.

#### 4. Supervision of Cross-Border RMB-Related Businesses of Third-Party Payment Institutions

The core of financial supervision is the supervision of financial risks (Huang Da, 2003). The core of the supervision of cross-border RMB business for third-party payment institutions is still the supervision of financial risks. To prevent such financial risks, the supervision of cross-border RMB-related businesses of third-party payment institutions mainly includes the following three aspects.

*4.1. Legal and Administrative Supervision: Mainly Payment Licenses from Scratch, from Loose to Tight.* When the payment business license was first issued, it was issued quickly. However, from the issuance of payment licenses during the period from May 2011 to March 2015, it is obviously in a high open low trend (refer to Figure 3 for details).

In terms of the total amount, from May 2011 to December 2015, the total number of payment licenses issued in China reached 271.

Since December 2015, among the licenses issued, some licenses have been revoked due to violations, and some institutions have been merged for other reasons. Due to the rapid issuance of licenses in previous years, the whole payment industry ushered in a period of rapid development, but then, there began to be problems in provisions, clearing and settlement, second clearing, code set, false preauthorization (this event is the fuse for punishing third-party payment), machine cutting, cash out, and direct channel. The state began to rectify the whole payment industry. From 2015 to

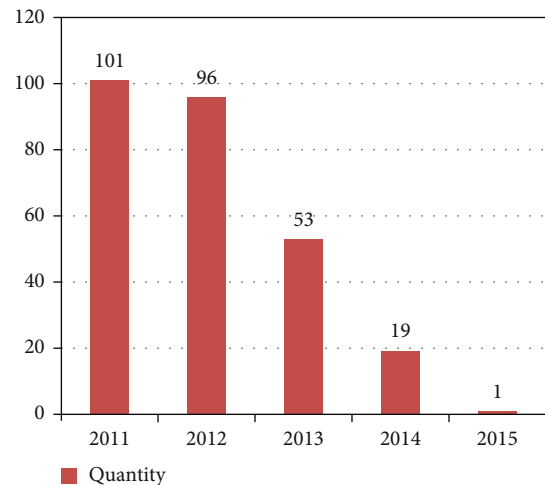


FIGURE 3: The license quantity authorized from May 2011 to December 2015. Data resource: [https://www.sohu.com/a/317379295\\_120057347](https://www.sohu.com/a/317379295_120057347).

February 2021, 39 payment licenses have been canceled for various reasons, including voluntary applications for cancellation, merger cancellation, and more because of noncompliance or illegality of business, and no new institutions have been approved by the People's Bank of China ever since 2015 [15].

The number of payment institutions in China from 2015 to February 2021 is shown in Figure 4.

According to the above and Figure 4, the number of third-party payment institutions with payment licenses in China has dropped from a historical high of 271 to only 232 (by the end of September 2021). Judging from the number of licensed institutions since the end of 2015, there will be no significant change in the tightening trend of national licenses.

At the same time, the state will continue to maintain a high pressure on the unlicensed operation and payment business and coordinate the implementation of special inspection and "double random inspection." For regions and overseas merchants with a high risk of gambling and black ash industry, organize special inspection and patrol, establish an account blacklist system, and effectively control the fund settlement activities of suspected online gambling and black ash industry. Based on the reform of individual account classification, we will consolidate the risk prevention responsibilities of class II and III accounts, improve the risk monitoring mechanism, and strengthen the risk warning [16]. In short, the state's supervision situation is tightened for both unlicensed operations and payment institutions that operate with certificates but violate laws and regulations [17].

*4.2. Technical Supervision, That Is, "Cut Off the Direct Connection."* Under the current supervision system of third-party payment institutions in China, Huoqi (2020) pointed out that "cut off the direct connection" and full deposit of reserves are the two core policies [18].

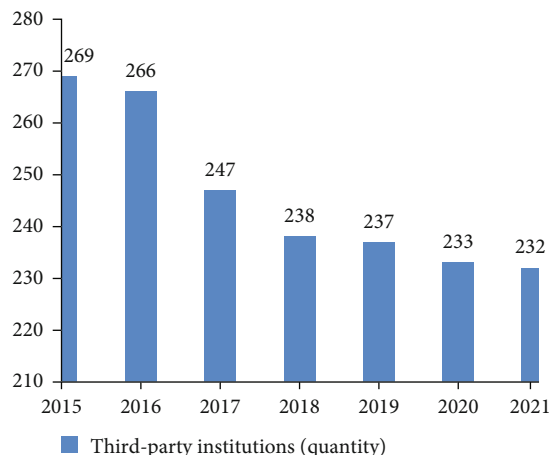


FIGURE 4: The quantity of China's third-party payment institution from 2015 to September 2021.

“Cut off the direct connection” refers to cutting off the direct data connection between the third-party payment institution and the bank.

In the “direct connection” mode, the third-party payment institution directly connects with the bank and sends the user's down payment request directly to the bank in the form of instructions to request payment. The customer's instructions are in the charge of the third-party payment institution, and the bank can only transfer funds according to the instructions of the third-party payment institution. Under the direct connection business mode, it is difficult for the regulator to grasp the capital flow of the third-party payment institution's transactions in time, so it is difficult to control the risk.

The establishment of the Internet connection platform can effectively solve this problem. It provides a connection between payment institutions and banks. By November 2018, the business migration of “disconnection and direct connection” will be completed. All network transactions involving bank cards in the business of third-party payment institutions need to be carried out through the Internet connection platform. Through the Internet connection platform, we can clearly grasp the flow of transactions and effectively improve the supervision efficiency of third-party payment institutions. It also improves the transparency of clearing between payment institutions and banks and plays an important role in preventing financial risks.

### 4.3. Economic Supervision

**4.3.1. Deposit of Reserves.** China's first third-party payment institution was founded in 1998, but till January 14, 2019, 100% of the reserves are required to be deposited. In the 20 years or so from the establishment of the third-party payment institution to the full deposit of the reserves, the payment institution has accumulated a large number of precipitated funds in its hands by taking advantage of its industry convenience. Meiling (2019) thought this part of funds once brought huge benefits to the payment institution by collecting interest. It is not too much to call it “lying and

winning” [19]. In the era when the provisions were not required to be deposited, there was industry chaos in which third-party payment institutions misappropriated the provisions of customers, with large financial risk exposure. After January 14, 2019, the people's Bank of China successfully implemented the full deposit of reserves, firmly grasped the initiative of risk management, and made government supervision more confident.

**4.3.2. Transaction Authenticity.** Controlling the authenticity of transactions helps to prevent cross-border money laundering, cross-border gambling, cross-border online fraud, cross-border bribery capital outflow, and other cross-border illegal transactions. These funds may have a huge amount and bring huge risks to the whole financial system.

From the perspective of third-party payment institutions, the gradually tightened regulatory policies contradict the increasing requirements of customers for business facilitation. In the current market, customers will choose the most convenient payment institution to carry out business according to the principle of lower compliance and risk control requirements such as data and order information. At this time, institutions with high compliance and risk control requirements very easily lose customers, resulting in the phenomenon of “bad money expels good money.” Nevertheless, the regulatory policy will only impose stricter requirements on the authenticity of transactions. In the long run, strict regulation will bring benefits to the future living space for good third-party institutions.

Liping and Pinxian [20] thought transaction authenticity includes the authenticity of the transaction subject and the authenticity of the transaction background or transaction content.

As for the authenticity of the transaction subject, cross-border e-commerce and third-party payment institutions should conduct due diligence and identify the identity of the transaction subject, mainly involving natural person transaction subjects and institutional transaction subjects [21–23].

(1) *Natural Person Transaction Subject.* For the identification of domestic natural persons, you may apply to join the “citizen network identification system” and “identity online verification system” developed and launched by the Ministry of Public Security to verify the identity information of customers and effectively reduce risks. However, at present, third-party payment institutions have not used such a system, resulting in the difficulty of identity verification. Various authors [24, 25] showed that the identification of overseas natural persons is more difficult because the other party is not willing to provide relevant identity information.

(2) *Institutional Transaction Subject.* At present, when examining the qualification of domestic online enterprises, third-party payment institutions cannot directly query the list of key supervision of RMB settlement enterprises and the list and enterprise level (A/B/C) classification of ASONE (digital foreign exchange management platform of the State Administration of Foreign Exchange), which must rely on

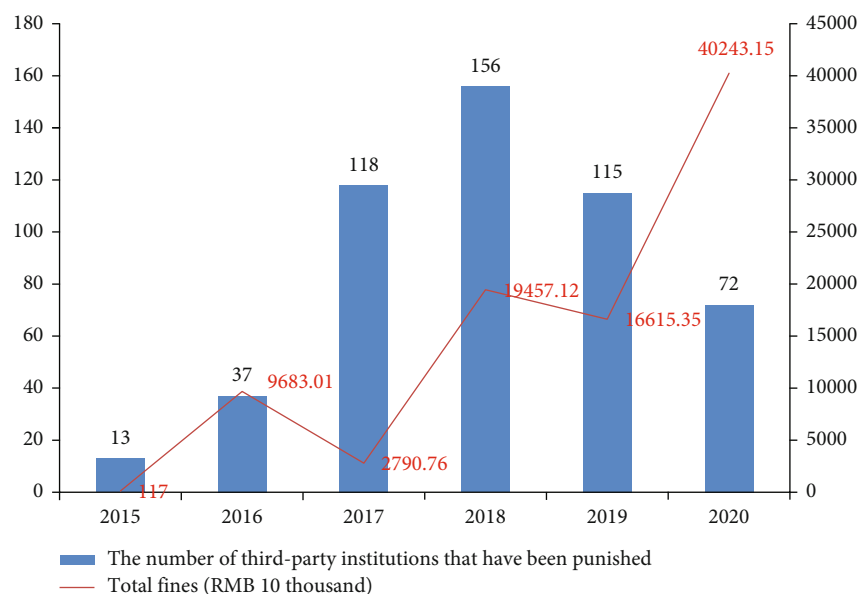


FIGURE 5: The economic punishment from 2015 to 2020 to the third-party institutions.

cooperative banks, resulting in audit delay. For the transaction subject of overseas legal person institutions, there are some difficulties in KYC (know your customer) work when the third-party payment institutions access overseas merchants [26, 27].

**4.3.3. Economic Punishment for Violation of Laws and Regulations.** Since 2015, China has gradually increased the intensity of economic punishment for the illegal acts of third-party payment institutions, confiscated the illegal income, and imposed a fine at the same time. Overall, from 2015 to 2020, the number of punished third-party payment institutions reached 156 in 2018, the highest in history (see Figure 5 for details).

In terms of amount, the amount of fines and confiscations for third-party payment institutions in 2020 has exceeded RMB400 million. Compared with the fine of RMB1.17 million in 2015, by 2020, the amount of fines and confiscations has become the main means of economic supervision, and the cost of violations is too high, which is enough for more third-party payment institutions to reflect on whether their business is standardized. It can be predicted that the means of economic punishment has become one of the main means to supervise third-party payment institutions and relevant senior executives [28–30].

## 5. Conclusions

**5.1. There Are Good Basic Conditions for the Development of Third-Party Payment Institutions in China.** The new forms of international trade have developed rapidly, such as the rapid development of cross-border e-commerce. In 2020, the import and export volume of cross-border e-commerce in China reached 1.69 trillion yuan, an increase of 31.1%. The total volume of the market procurement trade also exceeded 100 billion US dollars. Taking advantage of these basic conditions, some payment institutions have made their

contributions to the overall strategy of RMB internationalization while achieving the development of cross-border RMB business. Generally speaking, the foundation is good, which provides conditions for the rapid, healthy, and standardized development of China's third-party payment institutions.

**5.2. The Cross-Border RMB Business of Third-Party Payment Institutions Plays a Supporting Role in the Overall Situation of RMB Internationalization.** From the past data analysis, commercial banks are still the absolute main body of China's current cross-border RMB business. Indeed, the share of third-party payment institutions in China's overall cross-border RMB business is small (2.5% in 2019), but in absolute terms, it has exceeded 500 billion yuan in 2019, which cannot be ignored. The standardized development of the cross-border RMB business of third-party payment institutions is a useful supplement to China's cross-border RMB business and will help the overall situation of China's RMB internationalization.

**5.3. Third-Party Payment Institutions Hope to Get Policy Support in Cross-Border RMB Business.** According to the questionnaire and relevant references, third-party payment institutions have made some achievements in carrying out cross-border RMB business, but at the same time, they also feel that some policy restrictions have bound their hands. Generally speaking, third-party payment institutions hope to obtain policy support from relevant national departments in terms of cross-border RMB business, such as exhibition guidance, license scope, transaction limit, export tax rebate, and consistency of policy implementation and understanding. It is hoped that relevant departments will earnestly consider the reasonable demands of third-party payment institutions and give more business autonomy and convenience to third-party payment institutions within the scope permitted by laws and policies, to promote their better and

faster development. Because of the above investigation and analysis, the following suggestions are put forward.

First: it is suggested that the regulators should give policy support to third-party payment institutions in respect of routine business, unconventional business, and innovative business. Of course, these support policies should be based on the principles of real transaction background and controllable risk, and the support policies should be flexible and in line with market development, with support and inclusiveness as the starting point, to better understand and support the new things encountered by third-party payment institutions in the forefront of cross-border RMB payment.

Second: it is suggested to realize the classified limit instead of treating all similar cross-border RMB businesses with a unified limit standard. At present, the single transaction of service trade and other current accounts shall not exceed 300,000 yuan in principle, which restricts the normal development of third-party payment institutions and is not conducive to their development.

Third: it is suggested to provide more convenient policy support for third-party payment institutions that conduct business legally and in compliance, specifically to include export tax rebate, identity recognition, unified methods, consistent policy implementation standards, etc., to solve the embarrassing situation faced by third-party payment institutions in the process of business development.

*5.4. Third-Party Payment Institutions Engaged in Cross-Border RMB Business Should Develop in a Standardized Manner under Strict Supervision.* The state's supervision of third-party payment institutions is becoming more and more strict. Third-party payment institutions engaged in cross-border RMB business face a more complex business environment due to their cross-border business, so they should be more cautious in terms of business legitimacy and compliance. Thus, the situation of "bad money expelling good money" may occur in the past with the continuous development and progress of the state in legal, administrative, technical, economic, and other regulations. The third-party payment institutions engaged in business in violation of laws and all other guidelines will face a heavy blow from the regulators. Strict supervision is a long-term trend of supervision in the financial field. Any third-party payment institution should standardize its development and win the future for itself.

## Data Availability

The data in the paper are obtained from an open website. All the data are available from the corresponding author upon request.

## Conflicts of Interest

The author declares that there are no conflicts of interest regarding the publication of this paper.

## References

- [1] C. Weidong and Z. Xueqing, "Research on the development path of RMB internationalization," *International Economic Review*, vol. 148, no. 4, pp. 28–37, 2020.
- [2] X. Qing, W. Yufei, X. Qianyu, Z. Weiwei, and Y. Zhihui, "Research on anti money laundering supervision of third-party payment from the perspective of game theory," *Journal of Harbin University*, vol. 40, no. 5, pp. 32–36, 2019.
- [3] C. Chunzhu and L. Zhaolin, "Third party payment money laundering: characteristics, risks, punishment difficulties and countermeasures," *Chongqing Social Sciences*, vol. 311, no. 10, pp. 66–78, 2020.
- [4] L. Gang, "Realistic thinking on the development of third-party payment and industry supervision in China," *Exploration of Financial Theory*, vol. 192, no. 4, pp. 62–70, 2020.
- [5] Y. Song and Z. Bo, "Research on the regulatory policy of third-party payment based on text analysis," *Rule of Law and Society*, vol. 1051, no. 3, pp. 99–102, 2021.
- [6] F. Sixian and B. Lihong, "International comparison and enlightenment of third-party payment supervision mechanism," *Shanghai Economic Research*, vol. 317, no. 11, pp. 47–54, 2015.
- [7] L. Che, P. Xin, P. Hongwei, and F. Li, "International experience comparison of third-party payment supervision," *Southwest Finance*, vol. 231, pp. 42–47, 2018.
- [8] Y. Xiuting, "Third party payment internet market development and regulation," *People's Tribune*, vol. 698, no. 7, pp. 82–85, 2021.
- [9] Z. Junwen et al., "Objectives and institutional arrangements of third-party payment supervision," *Research on Financial Regulation*, vol. 87, no. 3, pp. 79–97, 2019.
- [10] G. Binbin, *Empirical Study on Consumer Personal Information Protection in Third-Party Payment*, vol. 35, Zhengzhou University, 2020.
- [11] W. Lizi, *Research on Legal Issues of Third-Party Payment and Consumer Protection*, vol. 44, Hebei University, 2020.
- [12] Q. Jianbo, X. Lili, and Z. Xinjian, "Research on third party payment risk and countermeasures," *Jilin Financial Research*, vol. 80, no. 4, pp. 68–71, 2021.
- [13] L. Lianke and C. Bo, "China Payment and Clearing Association China Payment Industry Annual Report 2020," vol. 3, China Finance Press, 2020.
- [14] G. Shuqing, "To solve the new challenges facing by financial technology development," *Financial View*, vol. 301, no. 1, p. 38, 2021.
- [15] C. Ting, "Research on the impact of third-party payment business on commercial banking business in China," *Enterprise Technology and Development*, vol. 435, no. 3, pp. 146–148, 2021.
- [16] Y. Lihua, "Competitive impact assessment of business concentration in third-party payment industry," *Gansu Social Sciences*, vol. 238, no. 6, pp. 182–188, 2019.
- [17] P. Jiadong and C. Haodong, "Has the Internet third-party payment platform formed a monopoly – a study based on the measurement of market power," *Journal of Guangdong University of Finance and economics*, vol. 36, no. 4, pp. 29–37, 2021.
- [18] H. Qi, "Supervision logic and system innovation of third party payment under the background of "cutting off direct



- connection," *Shanghai Jiao Tong University*, vol. 467, no. 5, pp. 1–39, 2020.
- [19] M. Ling, "The era of third-party payment lying win is over," *China Quality Wanli travel*, vol. 302, no. 2, pp. 94–95, 2019.
- [20] Z. Liping and Y. Pinxian, "Cross border e-commerce payment status, risks and regulatory countermeasures," *Shanghai Finance*, vol. 430, no. 5, pp. 73–78, 2016.
- [21] G. Lei, "Legal risks prevention and control measures facing by China's third-party cross-border payment institutions," *Practice in Foreign Economic Relations and Trade*, vol. 448, no. 4, pp. 73–76, 2020.
- [22] L. Jingjing and D. Peng, "Research on the risk and governance of illegal application of aggregate payment," *Journal of People's Public Security University of China (Social Sciences Edition)*, vol. 37, no. 6, pp. 79–86, 2021.
- [23] C. Wencui, "Research on evolutionary game between commercial banks and third-party payment institutions in China," *Journal of Nanjing University of Technology (Social Sciences Edition)*, vol. 16, no. 6, pp. 115–121, 2017.
- [24] D. Liuqing, *Comparative Study on the Supervision of Precipitated Funds of Third-Party Payment Platforms between China and Germany*, vol. 24, Nanjing University, 2020.
- [25] Y. Ting, "The post era of "Disconnection and direct connection": research on the sustainable development of network connected platform," *Journal of Hubei University of Economics (Humanities and Social Sciences)*, vol. 16, no. 4, pp. 79–82, 2019.
- [26] Q. Chen and L. Kaishen, "A preliminary study on the cross-border development of third-party payment enterprises——taking Alipay as an example," *SEZ Economy*, vol. 296, no. 9, pp. 208–210, 2013.
- [27] W. Jin and W. Yongqi, "Research on the legal supervision of the third-party payment platform of Internet in our country," *Business Economy*, vol. 553, no. 9, pp. 147–149, 2022.
- [28] Z. Yuxin, G. Rui, W. Huiyu, and T. Xiaofeng, "The development course and trend analysis of the third party payment in our country," *Modern Business*, vol. 588, no. 12, pp. 3–5, 2022.
- [29] Y. Luo, L. Cunjin, and L. Bin, "Study on the competitive evolution mechanism of third-party payment institution and commercial bank based on double-layer network," *Chinese Management Science*, vol. 229, pp. 1–14.
- [30] L. Nan, "Discussion on the impact of third-party payment on financial accounting of public hospitals and standardized management," *Assets and Finance of administrative Undertakings*, vol. 327, no. 6, pp. 94–95, 2021.