

Over 800 seized for crimes related to underground banks

Chinese police seized more than 800 suspects in 380 major cases worth 900 billion yuan (US\$131 billion) related to underground banks in 2016, said the Ministry of Public Security (MPS) on Sunday.

A campaign against underground banks to maintain financial order and security is helping the country's anti-corruption drive recover the assets of fugitive officials, said the ministry.

In 2016, the ministry worked with the central bank and the State Administration of Foreign Exchange to crack down on the transfer of illicit money via offshore companies and underground banks.

Officials with the MPS said that the ministry will continue action against illegal private banks in cooperation with the central bank and the foreign exchanges regulator in 2017.

"For a long time, underground banks have become a fast channel to transfer money, for they are anonymous and hidden. Many criminals have taken advantage of the channel to transfer their illegal gains to the overseas," said Zhang Niannian, an official with the central bank.

Underground banks have also offered a quick passageway for corrupt officials to transfer their properties, Zhang added.

The central bank will track and analyze new methods of crimes, especially in special non-financial institutions and sector, and improve measures of anti-money laundering, Zhang said.

Shu Jianping, head of the anti-money laundering office of the economic crime investigation division of the MPS, said that cases related to underground banks covered several industries, including foreign trade and real estates.

Harms of underground banks are increasing, Shu said, adding that local public security organs were urged to continue the campaign against underground banks.