

To: Jeffrey Epstein[jeevacation@gmail.com]
From: [REDACTED]
Sent: Fri 11/26/2010 12:00:22 AM
Subject: Fwd:

Asked the Chief Economist of Standard Chartered China his current view of private banking/wealth management:

From: Green, Stephen [mailto: [REDACTED]] Sent: November 2010 Subject: FW: CHINA

Private banking has developed very quickly - with local banks like Merchants doing very well.

Classic problem though is the limited amount of product, given limited instruments onshore and capital controls preventing outflow to global markets. As a result the PB depts. of the banks have worked with Trust companies (see attached) to allow their clients access to higher returns.

Capital controls mean taking wealth out of China is strictly illegal. However, many wealthy individuals have become rich through trade - and so often have offshore companies, which can facilitate transfers through semi-legal/illegal routes such as massaging trade invoices to take money out. There is also an active Hawalla style banking system - in which I deposit CNY in your account in Shanghai, and you deposit USD in my account in Hong Kong. Trust obviously an issue here. There are underground banks which also provide these services. But its not an area we've really dug into.

Hope that helps

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