

eGuide

Cross-border payments: How to expand to China

About the research

Airwallex partnered with Statista to survey 1,000 cross-border eCommerce shoppers, defined as anyone who has shopped internationally in the last 12 months through any type of online shop, such as marketplaces or directly from a merchant's website. All respondents were based in China and completed the survey in January 2025. Our goal was to understand how shoppers in China purchase online when buying from another country. Our survey participants come from diverse backgrounds and age ranges, representing a typical sample of shoppers within China.

Some key findings from the survey include:

- The majority of shoppers in China are comfortable buying from international merchants and regularly make cross-border purchases.
- Digital payment methods like Alipay and WeChat Pay are preferred, while BNPL also plays a key role in the checkout experience.
- Chinese shoppers expect transparent pricing in CNY, a mobile-friendly checkout experience, and seamless access to their preferred payment methods.
- Marketplaces dominate online shopping, but social commerce is growing fast, with livestream shopping and influencer recommendations playing a role in purchasing decisions.

In our insights:

- Gen Z refers to those born between 1997–2012
- Millennials refer to those born between 1981–1996
- Gen X refers to those born between 1965–1980
- Baby Boomers refer to those born between 1946–1964

Digital payment methods refer to global eWallets (e.g. Apple Pay and Google Pay) and any further country-specific digital payment methods (e.g. Alipay and WeChat Pay). They exclude credit cards, debit cards, bank transfers, and buy now, pay later (BNPL) options.

All data referenced in this guide, unless otherwise stated, comes from this research.

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Payments: the lynchpin of your China expansion strategy

China's eCommerce market is the largest in the world. In 2024, it was valued at US\$1.47 trillion, and is set to grow by 61% to reach US\$2.36 trillion by 2029. Shoppers in China are digital-first, mobile-savvy, and expect checkout experiences that match the speed and convenience of their everyday online interactions. Whether they're buying the latest skincare from South Korea, luxury handbags from France, or high-tech pet accessories, they want payment options that feel instant and effortless.

Mobile wallets like Alipay and WeChat Pay dominate online transactions. UnionPay, the state-backed bank card network, is still widely used, but digital-first payment methods have taken over. Buy now, pay later (BNPL) options are also a must, especially for fashion, beauty, and luxury purchases, where shoppers like to spread costs over time. If BNPL isn't an option, they won't hesitate to find another store that offers it.

Shoppers in China move fast and expect the checkout experience to keep up.

Unexpected fees, redirects to unfamiliar payment pages, and clunky mobile designs can cause them to drop off and look elsewhere. A localised checkout with clear pricing in yuan, one-click payment options, and security features that inspire confidence makes all the difference.

To succeed in China, you need a payment strategy built for the local market. That means accepting trusted local payment methods, offering flexible checkout options, and keeping costs down without unnecessary currency conversion fees. With the right payment partner, you'll be able to reach more customers, build trust, and drive higher conversions.

What shoppers in China want

China has one of the most engaged online shopping populations in the world. 98% of shoppers make an international purchase at least once a month, buying everything from luxury handbags and skincare to imported snacks and high-tech pet accessories. And they aren't hesitant about shopping abroad: 99% are comfortable buying from international merchants. Shoppers look for the best selection, trusted brands, and competitive pricing, whether they're shopping for European fashion or Korean beauty products.

Marketplaces dominate, but social commerce is growing

Marketplaces remain the go-to shopping destination, with 84% of shoppers in China buying from platforms like Taobao, JD.com, and Amazon. But social commerce is expanding fast. 13% of shoppers now buy through social media, taking advantage of livestream sales and influencer promotions that blend entertainment with shopping. Direct purchases from merchant websites remain low at just 3%, reinforcing the need to meet shoppers in China where they already browse and buy.



84%

of shoppers in China prefer to buy from platforms like Taobao, JD.com, and Amazon.

Fashion, beauty, and food top the list

Shoppers in China buy online across a wide range of categories, but fashion and apparel, skincare and beauty, food and beverages, electronics, luxury products, and home goods are the most in demand. Men are more likely to buy electronics (59%) and food and beverages (65%), compared to 47% and 50% of women, respectively. Younger shoppers are also more likely to buy luxury products, with 45% of Gen Z and Millennials making purchases in this category compared to 34% of Gen X and Boomers.

Where shoppers buy from depends on the type of product. Europe and Hong Kong are popular for fashion and luxury products, while North America is preferred for electronics and books. They turn to South Korea, followed by Europe and Hong Kong, for skincare and beauty. Australia and Europe are popular for sourcing food and beverages.

Digital wallets rule, but BNPL is growing

China's payment landscape is digital-first. 80% of shoppers use digital payment methods like Alipay, WeChat Pay, and Tenpay for purchases. Credit cards remain important, with 42% of shoppers using them, followed by debit cards (32%) and BNPL (35%). UnionPay, China's state-backed card network, remains the most widely-used card scheme.

Younger shoppers strongly prefer digital payment methods like eWallets, with 86% of Gen Z and 76% of Millennials choosing them.

Buy now, pay later (BNPL) also drives sales, especially for fashion and beauty purchases. It's even more popular among Gen X and Baby Boomers (44%) than Gen Z and Millennials (33%), an unusual trend compared to other markets. 85% of shoppers say BNPL is an important checkout feature, and 83% will look elsewhere if it isn't available.



of shoppers say BNPL is an important checkout feature.

Checkout needs to be fast, transparent, and mobile-friendly

Shoppers in China expect a frictionless checkout experience. 94% want to see pricing in Chinese Yuan (CNY). More than 90% say that transparent pricing, a mobile-friendly design, fast page loads, and one-click checkout options are essential. Security is another priority, with visible trust indicators like SSL encryption and PCI compliance making a difference in conversion rates.

Redirecting shoppers to another page to complete payment is a red flag. Nearly 50% say it negatively impacts their experience, either making them feel less secure, disrupting their shopping flow, or causing them to abandon their purchase altogether.

Shopping revolves around major sales events

China's retail calendar is built around shopping festivals, and brands that don't participate risk missing out. 89% of shoppers plan purchases around key holiday moments, with Singles' Day, 618, Lunar New Year, and Double-Digit Sales Days standing out as the biggest opportunities for cross-border sellers.

To succeed in China, businesses need to offer local payment methods, a secure checkout, and well-timed promotions that align with major sales events. With the right approach, brands can tap into one of the world's most lucrative eCommerce markets and build lasting customer relationships.

The essentials: taxes and compliance in China

Expanding into China means navigating a complex tax and compliance landscape, but with the right strategy, it doesn't have to be overwhelming. Most goods and services are subject to a 13% Value-Added Tax (VAT), with a new VAT law rolling out in 2026 to simplify existing regulations. If you set up a local entity, you'll also need to account for a 25% Corporate Income Tax (CIT). Import duties vary by product, and luxury items often come with additional taxes, so getting classifications right is key to avoiding unexpected costs.

China's E-Commerce Law requires all online sellers to register as legal entities and meet tax obligations, but Cross-Border E-Commerce (CBEC) provides a simpler entry point. If you sell through platforms like Tmall Global, JD Worldwide, or Douyin Global, you can reach Chinese shoppers without setting up a local business. CBEC also comes with preferential tax treatments for certain products, but you'll still need to comply with customs procedures and product safety regulations.

Handling customer data is another major factor. The Personal Information Protection Law (PIPL) sets strict rules on how businesses collect and store Chinese consumer data. You'll need clear consent from users and secure data storage, or risk fines and restrictions.

China isn't an easy market to enter, but for businesses willing to adapt, the rewards can be significant. CBEC is the smartest way to start. It lets you sell to shoppers in China without committing to a full local setup, while platforms like WeChat, Douyin, and Xiaohongshu help drive sales through social commerce. With over 900 million online shoppers, the potential is there – so long as you comply with regulations.

How Airwallex helps you stay compliant

Airwallex Business Accounts simplify your financial operations as you expand to China, whether you decide to set up an entity in the country or not. It lets you open CNY currency accounts to send, receive, and hold funds in either currency, just like a local business would.

Built-in security	Airwallex meets international compliance standards like the Payment Card Industry Data Security Standard (PCI DSS) and Service Organization Control 2 (SOC 2) to protect financial data and customer transactions.
Tax-ready financial tools	Sync with accounting platforms like Xero and QuickBooks to help you categorise expenses and generate financial reports.
Licensed and regulated globally	Airwallex is licensed and regulated globally, including by the People's Bank of China.
Unified reporting system	Airwallex consolidates and standardises transaction and settlement data across all payment methods, helping you maintain control and compliance.

Localise the checkout experience

Localising the checkout experience with local currencies and payment methods improves conversions and reduces cart abandonment. Shoppers in China expect to see prices in CNY and want the flexibility to pay using familiar options. That means offering UnionPay, China's most widely-used card scheme, alongside popular digital payment methods such as Alipay, WeChat Pay, and Apple Pay.

In our recent report, we found that:

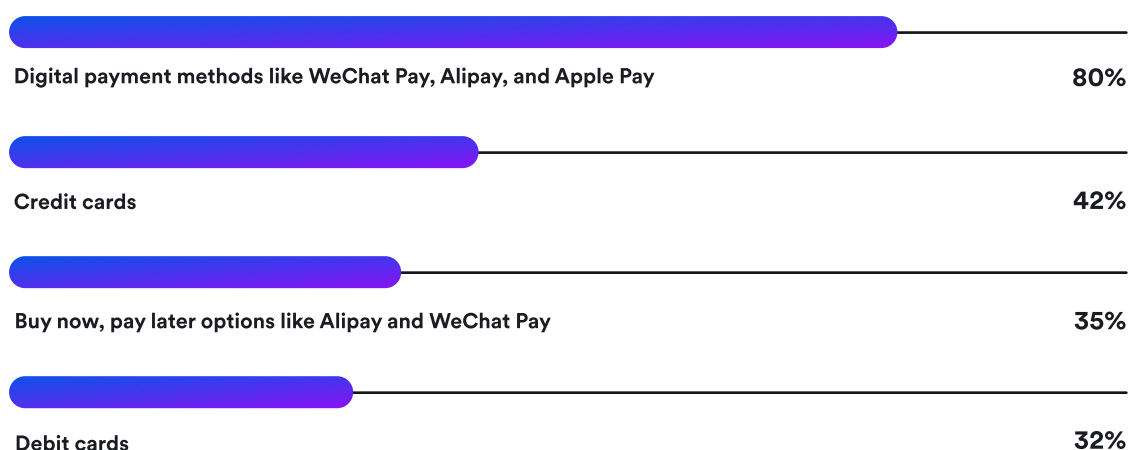
94%

of shoppers say seeing prices displayed in CNY influences their decision to make a purchase.

94%

also said that the ability to pay using their preferred payment methods was the most important aspect of the checkout experience.

Payment methods preferred by shoppers in China:



How Airwallex localises the checkout process

Airwallex offers no-code, low-code, and fully-customisable APIs that give you access to:

160+ local payment methods

These include UnionPay, Alipay, and WeChat Pay to help drive a higher checkout conversion rate.

BNPL options

Drive higher average order values and checkout rates. Digital payment methods such as Alipay and WeChat Pay also offer BNPL options.

Automatic currency conversion and pricing display

Customers see exact costs in CNY at checkout.

Save on payment processing costs

Cross-border payments often come with currency conversions and transfer fees, which can quickly add up. Here's how you can minimise these costs and maximise your bottom line:

1. Look for market-leading FX rates

One of the most significant hidden costs of cross-border payments is the markup on foreign exchange (FX) rates. Many providers add a margin to the mid-market “interbank” rate, which is the rate banks use to trade currencies with one another. These markups can inflate costs without being immediately obvious.

2. Save on conversion costs with like-for-like settlement

Holding and settling payments in the same currency can eliminate unnecessary FX conversions. For example, if your business has both revenue and expenses in CNY, using a provider that offers multi-currency accounts can allow you to make and receive payments in CNY. This feature avoids conversion fees and shields you from the impact of fluctuating exchange rates.

With like-for-like settlement, you can avoid FX conversions at these key points in the payment process:

1

At the point of sale when your customer pays in a different currency than your default currency.

2

When you transfer funds out of your payment platform to your merchant account in a different currency.

3

When you pay international suppliers and need to convert currencies again.

3. Choose providers with competitive fees

Cross-border payments typically incur initiation and receipt fees, as well as surcharges from any intermediaries involved. Modern fintech platforms, like Airwallex, build their own payment infrastructure. This model is more cost-efficient and allows for transparent pricing structures and faster processing times.

How Airwallex saves on costs

Competitive FX rates

Get market-leading FX rates on 60+ currencies, avoiding inflated margins, so you can keep more of your revenue.

Multi-currency accounts for like-for-like settlement

Accept and hold funds in their original currency, such as CNY, and use the same balance to pay suppliers without unnecessary conversions or fees.

Transparent pricing and faster settlements

Benefit from cost-efficient international payments and improved cash flow when you can make and receive payments faster.

SATURDAY CLUB

“With Airwallex, we can now collect customer payments from countries such as China, Hong Kong, Australia, US, and Japan in their local currencies and remit our profits back to Singapore at very competitive conversion rates.”

Ying Tze Her, COO, Saturday Club

Drive higher conversions

By using the right tools and strategies, you can reduce failed transactions, improve authorisation rates, and maximise your revenue potential.

Use machine learning to optimise success

When assessing payment providers, check that they incorporate machine learning (ML) technologies. ML-powered optimisation engines analyse transaction data in real time. They then use this data to improve acceptance rates and reduce failed payments.

Another ML-driven tool, automatic retries, can increase sales conversions by reattempting failed payments. This feature is especially important for reducing payment failures caused by technical glitches or temporary card declines.

Reduce checkout friction

Features like autofill, saving payment details for repeat purchases, and guest checkout options instead of having to create an account, make the checkout experience faster and more intuitive. On top of that, displaying progress indicators during checkout can help reduce uncertainty and keep customers engaged.

How Airwallex drives conversion rates

Advanced machine learning tools

Airwallex's checkout optimisation engine and smart 3D Secure (3DS) strategies increase transaction approvals by keeping fraud low. Automatic retries help by reattempting payments when errors occur.

Higher approval rates

Features like tokenization and optimised messaging improve how payments are processed to reduce errors and false declines.

Better checkout experiences

With automatic currency conversion and access to local payment methods, shoppers see prices in their own currency and can use familiar payment options.

Build trust with secure payment experiences

Checkout security is a top priority for customers. 93% of shoppers in China rank visible security badges as one of the most important features of any checkout experience. Putting strong security measures in place can ease those worries, help you build trust, and encourage repeat purchases.



Prevent fraud

Preventing fraud is the first line of defence for businesses handling cross-border payments. Modern payment platforms leverage machine learning and artificial intelligence (AI) to create intelligent security networks that analyse transaction patterns in real time. This technology helps identify and flag suspicious activities before they escalate.

Dynamic fraud prevention features, such as 3D Secure (3DS), perform security checks based on risk level. Low-risk payments are processed quickly, while higher-risk transactions receive extra scrutiny to prevent fraud.

Comply with data privacy laws

China operates under a combination of national, sector-specific, and local regulations.

The Personal Information Protection Law (PIPL) is the most well-known. It grants customers rights over their data and requires businesses to disclose how they're using personal information. Many other sectors and local governments are also implementing similar regulations. To remain compliant, make sure you implement clear privacy notices, enable customer data access and deletion options, and maintain robust security measures. It's also a good idea to seek legal advice.

Key security features:



3D Secure authentication provides a strong layer of protection for online card transactions.



Secure Sockets Layer (SSL) certificates encrypt data during transmission to maintain confidentiality and integrity.



PCI DSS compliance ensures that payment card information is handled securely.



Visible trust badges at checkout reassure customers that their data is safe.

It's a good idea to make your security measures visible, so your customers feel confident about completing their purchases.

How Airwallex maintains security

Airwallex takes care of all of these complicated security and compliance matters for you with:

Fraud prevention

Fraud detection engines built on machine learning and artificial intelligence protect against online fraud while reducing instances of false alerts to keep payments moving for genuine customers. Features like 3D Secure authentication and risk-based checks add extra layers of protection where needed.

Regulatory compliance

Airwallex meets global standards like PCI DSS Level 1 and SOC 2 and ensures your business complies with local laws, including the Personal Information Protection Law (PIPL).

Data protection

Encryption technologies like Transport Layer Security (TLS) v1.2 and Advanced Encryption Standard (AES256) keep customer information safe during transmission and storage.

Optimise cash flow

Managing cash flow effectively lets you cover operational costs, invest in growth, and stay agile in a competitive market. But when you expand to new markets, managing multiple local entities and payment solutions as well as FX and transfers can all complicate your operations. These hurdles can eat into your margins and slow your growth. If you're a growing business, you'll know how critical it is to maintain efficient cash flow to cover things like supplier and ad spend.

Simplify financial processes

To stay efficient, focus on streamlining your financial systems. A simple, consolidated approach makes it easier to manage cash flow and plan for growth.

Key steps include:

- Matching income and expenses to avoid cash gaps
- Consolidating financial data to track transactions in real time
- Minimising costs associated with cross-border payments and currency exchanges

Gain clarity with real-time insights

Juggling multiple currencies and payment systems can lead to delays and errors in tracking your cash flow. Real-time financial insights give you the visibility you need to stay in control.

When you have a clear picture of your finances, you can:



Spot potential issues early and address them quickly



Identify cost-saving opportunities or inefficiencies



Make informed decisions to support your goals in the China market

How Airwallex can improve your cash flow

Airwallex lets you quickly and cost-effectively manage all financial operations on a single platform.

Real-time financial insights

Consolidate all your financial transactions, balances, and cash flow in a single dashboard, so you can make informed financial decisions quickly.

Automated reconciliations

Automatically sync with platforms like Xero and Quickbooks to save time on bookkeeping.

Increased liquidity

Receive and spend funds on a single platform with no or low transfer and FX fees. 95% of transfers go through local payment rails and arrive within the same day.

SATURDAY CLUB

“Previously, we had no visibility in the whole transfer process. Cross-border payments can be quite stressful and it was frustrating to have no one to turn to when payments got stuck. Airwallex has been a game-changer for us because they've given us complete control over our cross-border payments. They also really understand the unique challenges we face in global operations, on a business level.”

Ying Tze Her, COO, Saturday Club

How Karst Stone Paper expanded globally

Karst

Karst Stone Paper is redefining paper for the 21st century with recycled stone paper sketchpads, notebooks, treeless pencils, pens with sustainable ink refills, and other eco-friendly alternatives. The small, Sydney-based company launched in 2017. It attracted 10,000 customers in its first six months and has continued to grow approximately 50% year-on-year since then. Today, Karst has expanded to serve more than 60,000 customers in 90 countries. Let's take a closer look at how they made it happen.

Karst Stone Paper faced major hurdles in handling global payments. High transfer fees, tricky currency conversions, and the absence of a streamlined financial management system were real roadblocks to the business' growth. It was clear that to grow and expand the customer base, the team needed to address these issues head-on.

Karst took a step forward by partnering with Airwallex to tackle these hurdles. Here's how Airwallex's solutions helped it expand cross-border:

Global payment acceptance

Airwallex's quick and secure online checkout has broadened Karst's reach to accept payments in 180+ countries via 160+ local payment methods, bringing in more wholesale and distribution clients and boosting customer satisfaction and loyalty.

Multi-currency accounts

Karst can now accept payments in local currencies straight from customers and partners all over the world. For instance, a customer in the US can pay Karst in USD, which Karst can then use to pay a US-based supplier, avoiding unnecessary currency conversions.

FX & Transfers

Karst managed to save 10% on transfer fees by sidestepping extra currency exchanges. By handling local currencies more efficiently, they've been able to reduce costs.

Corporate Cards

Using Corporate Cards across various departments has simplified the payment process, cut down reconciliation time, and boosted financial integrity.

Partnering with Airwallex has been key to driving Karst's cross-border expansion. One integration with Airwallex has given its global customers options to pay in local currencies and preferred payment methods at checkout. At the same time, Karst remains secure and compliant with local regulations wherever it operates, while being able to streamline its end-to-end financial operations all on one platform.

10 Top tips

Market expansion experts share their top tips

Understand individual market trends



Wilson Ng

Mid-Market Lead at
Google Customer Solutions,
Hong Kong

“Consumers are expected to continue to spend despite inflationary pressures. To drive sustained, profitable growth and resonate with increasingly savvy online consumers, businesses will need to understand individual market trends. Globally, the path to purchase has grown more complex, with 60% of consumers in surveyed markets now taking six or more actions before deciding to buy a brand or product that's new to them.”

Chart your path for long-term growth



Anthony Leung

Managing Director at
FedEx, Hong Kong and
Macau

“While the world remains uncertain, the demand for eCommerce businesses continues to grow. Expanding globally offers a path to new opportunities and customer connections. From parcels to freight, it's important to look for a one-stop-shop like FedEx for reliable global delivery and smart digital solutions to streamline supply chains and grow your business cross border.”

Take a global mindset from day one



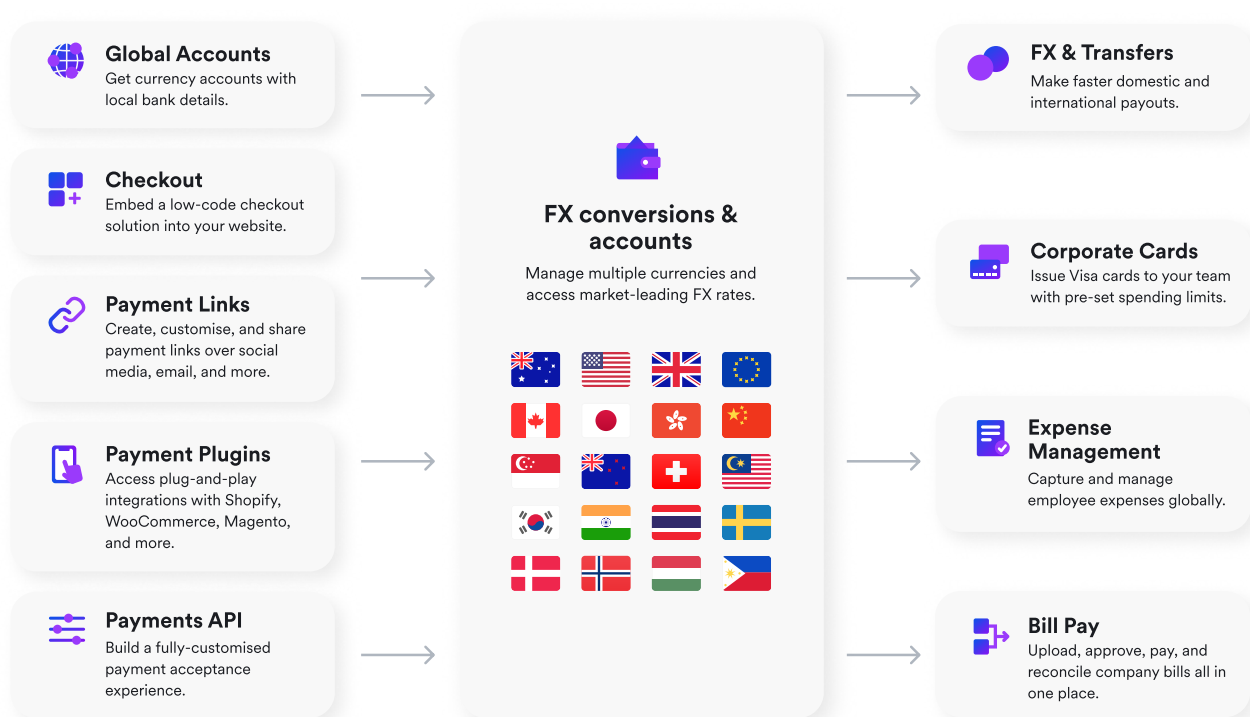
Sean Huang Chan

Chief Commercial Officer,
China at Airwallex

“Global eCommerce is constantly shifting. With more businesses expanding into new markets like Southeast Asia, Latin America, and the Middle East, your next cross-border opportunity might just be around the corner. My top advice is to partner with providers that are built to be global from day one to truly future-proof your business.”

How Airwallex can help you expand to China

A key part of expanding to China is being able to make and receive payments like a local. You need a partner that supports your end-to-end financial operations – it should let you accept, hold, and transfer funds from one platform. You'll also need to offer customers in China quick and familiar ways to pay, whilst remaining secure and compliant. Here's where you can partner with us.



Gain global reach

Expand your customer base and streamline operations with Airwallex's global payment infrastructure, designed to connect you to customers in 180+ countries.

- **Access major credit card schemes and 160+ local payment methods:** Offer popular options such as WeChat Pay, Alipay, and Apple Pay to meet the needs of shoppers in China and maximise your checkout conversion rates.
- **Multi-currency payment acceptance:** Accept payments in 130+ currencies including CNY. Display prices in your customer's local currency to create a familiar payment experience and boost trust.
- **Global Accounts with local bank details:** Open accounts with local bank details, including a CNY account, to receive payments as if you were a local business in China.

Save costs

Airwallex reduces the costs of cross-border payments, helping you improve your margins.

- **Market-leading FX rates:** Save up to 80% on foreign exchange fees with competitive mid-market exchange rates.
- **Like-for-like settlement:** Eliminate unnecessary currency conversions by receiving, holding, and spending funds in CNY.
- **Transparent pricing:** Avoid hidden fees on transfers and payments, with clear, predictable costs for all your financial operations.

Optimise payment success

Ensure your payments go through smoothly with advanced tools to improve authorisation rates and minimise failed transactions.

- **Direct connections to card networks:** Route transactions through local payment networks to enhance authorisation success and reduce processing costs.
- **Machine learning-powered optimisation:** Maximise payment success rates with tools like optimised messaging and smart retries that reduce technical declines.
- **Advanced fraud detection:** Protect your business with real-time fraud detection systems that block suspicious activity without disrupting legitimate payments.

Maintain security and compliance

More than 150,000 businesses trust Airwallex to process over US\$100 billion in global payments annually.

- **Secure funds:** Funds are held in leading financial institutions and safeguarded in line with the local regulations where Airwallex operates.
- **Security controls:** Airwallex security controls are monitored 24/7 to keep your account safe.
- **International standards:** Airwallex meets the highest international security standards, including PCI DSS, SOC 1, and SOC 2, as well as local regulatory requirements.
- **Licensed and regulated:** Airwallex is licensed and regulated by various financial authorities globally, including the People's Bank of China. This means it's obligated to follow strict security protocols.

It's easy to get started

The first step to making and receiving payments like a local is opening a Business Account account on Airwallex – no trip to the bank or complicated paperwork needed. Combined with our payment solutions, you can boost your checkout experience. Create, share, and customise no-code Payment Links, or use our plug-and-play integrations to expand your breadth of payment methods on platforms like Shopify, WooCommerce, Magento, and more. Alternatively, embed a low-code checkout solution on your website or customise your own solution with our Payment APIs.

About Airwallex

Airwallex is a leading global financial platform for modern businesses, offering trusted solutions for global payments, treasury and expense management, and embedded finance. With our proprietary infrastructure, Airwallex removes the friction from global payments and financial operations, allowing businesses of all sizes to unlock new opportunities and grow beyond borders. Proudly founded in Melbourne, Airwallex powers over 150,000 businesses globally and is trusted by brands such as Brex, Rippling, Navan, Qantas, SHEIN, and many more.

For more information, visit www.airwallex.com.

