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1. Measures on Labour Law of PRC

As of 1 January 2017, the "Measures for Announcing Major Violations of Labour Security" (Measures) of the Ministry of Human Resources and Social Security of PRC (MHRSS) came into effect. The Measures shall strengthen the protection of employees' rights and punish unlawful acts of employers.

A. Seven Major Violations of Labour Security

The Measures set out seven categories of major labour security violations that need to be announced in public.

1. Unjustified deduction from, or delay in paying "substantial amounts" of employees' remuneration, or refusal to pay remuneration, if such violation results in criminal charges. The "substantial amount", however, is not specified in the Measures.
2. Failure to enrol an employee in the social insurance or make social insurance contributions, if the circumstances are "severe". The Measures do not provide what cases will be considered as severe.
3. "Severe violation" of rules on working hours, rest and leave. The Measures do not specify what cases will be considered as severe violations.
4. Failure to protect female and juvenile workers.
5. Violation of the provision on prohibiting employment of children;
6. Any violation against labour protection resulting in "severe adverse social impact".
7. Any other "severe violations" against labour protection rights. The Measures do not specify what cases will be considered as severe violations.

B. Content and form of the announcements

MHRSS offices at Prefectural level and County level shall publish major violations of labour security within their administrative areas quarterly. MHRSS offices at Provincial level shall announce major violations of labour security within their administrative areas every six months.

The announcement shall be published on the MHRSS website, as well as through media channels such as major newspapers, magazines and television in the local administrative area. Published information shall consist of the name of the employer and the registration code of the company, its address, as well as the names of the legal representative or other key persons involved in the violation; the particulars of the violation; imposed sanctions against the employer.

Finally, the Measures provide some defence rights of employers in the event that an announcement appear to be wrong. According to the Measures, an employer may raise any objection to the contents of the publication of via lotions of employees' rights, and the responsible administrative department of MHRSS shall verify the objection within 15 working days upon acceptance of the objection and inform the employer. If the administrative acts need to be modified, or cancelled upon administrative reconsideration or administrative lawsuit, the responsible administrative department of MHRSS shall modify the content of the announcement within 10 working days upon the date of modification or cancellation.

2. Promulgation of Administrative Measures on Suitability for Securities and Futures Investors

As of 7 January 2017 the "Measures for the Suitability Management of Securities and Futures Investors" (Measures) of the China Securities Regulatory Commission (CSRC) came into effect The Measures consist of important supplementary regulations of the security and future markets.

A. Classification of Investors

The Measures classify the investors into *ordinary investors* and *professional investors*, and specify the scope of the professional investors, e.g. Financial Institutions established upon approval of the relevant financial regulatory authorities and Wealth Management Products issued by Financial Institutions for investors. All investors that are not deemed to be professional investors shall be deemed to be ordinary investors. The Measures also require financial institutions such as securities companies, fund companies, or future companies who sell the finacial products or provide such sevices, to implement internal suitability management systems and processes. The classification of the ordinary investors shall comprehensively take into account source of income, asset situation, liability, investment knowledge and experience, risk preference, and integrity standings. However, the classification of the investors will be dynamic and continuous. Ordinary investors that satisfy certain conditions may apply for the conversion into professional investors.

A financial institution shall be entitled to approve the conversion and shall explain the differences in performing suitability obligations towards investors of different categories, warn the investors of the possible investment risks.

B. Rating of Products and Obligation of Suitability

The Measures require financial institutions to rate the risk levels of the offered financial products or the financial services in accordance with their risk characteristics and degrees. Ten determined factors shall be taken into account when rating the risk levels of products or services as follows: (1) Liquidity; (2) Maturity; (3) Leverage; (4) Structural complexity; (5) Minimum amount of investment required in investing in unit product or related services; (6) Investment direction and investment scope; (7) Ways of fund-raising; (8) Credit standings of issuers and other relevant parties; (9) Past performance of similar products or services; and (10) Other factors. Risks need to be rated for leverage transactions, liquid cash conversion capabilities, publicly offered products or related services that have a wide coverage and strong influence. Business institutes have to formulate internal suitability management systems specifying the methods and processes, and summarizing the result of classifications or ratings on a regular basis and issue matching opinions for each investor. If an investor insists on purchasing a particular product or service that is not deemed to match with the relevant investors' category due to risk level higher than the relevant risk tolerance, a special written risk warning needs to be issued. Such products or services may only be sold upon request of investor and after issuance of the warning.

Notification and warning obligation of financial institutions need to be audio-recorded or video-taped.

The Measures provide special obligations of duty of care when selling high-risk products to, or providing relevant services for, ordinary investors. They prohibit several activities of selling products or providing services, e.g. proactively promoting to ordinary investors products or services that do not meet their investment objectives, selling to investors in the category of the lowest risk tolerance products of risk levels higher than investors' risk tolerance, or providing such investors with services whose risk levels are higher than their risk tolerance. Those prohibitions stress the *obligation of no promotion.*

C. Special Protection for Ordinary Investors

Before selling products to, or providing services to ordinary investors, the financial institutions shall inform ordinary investors, such as matters that may directly cause the loss of investment or result in losses exceeding the investment, any change of the business or financial status of such institution, or any material event which may impact the decision of the investor. Meanwhile, according to the Measures, the financial institutions are required to fulfil special obligations of duty of care, including the design of dedicated work flows, the knowledge of the finacial conditions of the investors, the purpose of their investment, their risk tolerance, as well as they shall inform ordinary investors of special risks, and give ordinary investors more time for consideration, when selling high-risk products to, or providing relevant services for, ordinary investors. Business institutes are also required to make careful assessment and management to ordinary investors.

D. Supervision and Liability

The Measures provide that the CSRC are in charge with the supervision of the financial institutions and their legal representatives subject to direct liabilities. The Measures also specify the sanctions for and liabilities of the financial institutions that violate the Measures.

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