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## **1. First International Investment Disputes Arbitration Rules enacted by China International Economic and Trade Arbitration Commission**

The International Investment Disputes Arbitration Rules (hereinafter “Rules”) were released by the China International Economic and Trade Arbitration Commission (hereinafter “CIETAC”) on 25 September 2017 and have been effective since 1 October, 2017. At present, the Rules are only available in Chinese and are the first arbitration rules in China that are dedicated to international investment disputes raised between Chinese investors and foreign institutions. According to the explanation from CIETAC, such Rules are an essential assistance to the legal regime of some countries concerned by the “One Belt One Road” initiative.

The disputes solved by the Rules are based on contracts, treaties, laws and regulations as well as other documents. One party will normally be the investor while the other party will normally be a country, an inter-governmental organisation, or any other institution. The place of arbitration may be agreed by the parties; alternatively the Court of Arbitration may determine the seat of the arbitration according to the circumstances. The Rules stipulate two institutions for the daily routine of international investment disputes procedure, i.e. the CIETAC Investment Disputes Resolution Centre in Beijing, and the CIETAC Hong Kong Arbitration Centre.

The CIETAC has a panel of arbitrators, out of which the parties can appoint their arbitrator(s). They can also agree on other persons but such person will be confirmed by the arbitration commission. Unless requested by the parties, the arbitration hearing will be held in public. Regarding the course of time, the final award will be rendered within six months after the announcement of the end of the trial. Nonetheless, such period can be extended.

## **2. Revision of Administrative Regulation regarding Environment Protection in Construction Projects**

The PRC State Council published the newly revised Administrative Regulation regarding Environment Protection in Construction Projects (hereinafter “Revised Administrative Regulation”) on 16 July 2017. The Revised Administrative Regulation has been effective since 1 October 2017. It builds up an evaluation system of the environmental impact on construction projects and brings the following changes compared to the previous version:

### **A) Technology assessment is organized and paid by competent authorities rather than by the enterprises**

According to art. 9 sec. 3 of the Revised Administrative Regulation, the competent authorities in charge of environmental protection can mandate a technical institution to assess the technology in an environmental impact report and an environmental impact statement. The fees caused by such assessment must be borne by the authorities.

### **B) Filing mode for environment impact registration form**

The environmental impact registration form is not required for any application to the competent authorities any longer. Instead, the form will be filed to the competent authorities

before the construction. Besides, the acceptance inspection is no longer required for construction projects.

### **C) Clarifications of rejection criteria**

Unlike the previous regulations, the Revised Administrative Regulation openly lists the five rejection criteria for the environmental impact report and statement in art. 11. The five criteria are the following:

1. The type of construction project and its site selection, layout, scale, etc. don't comply with the environmental protection regulations and the relevant statutory plans.
2. The environmental quality at the locality is inferior to the standard of the State or the locality, and the measures proposed for the construction project don't satisfy the requirements for goal management for improvement of regional environmental quality.
3. The pollution prevention and control measures adopted for the construction project can't ensure that pollutant emissions attain the emission standards of the State and the locality or the requisite measures to prevent and control the ecological damage have not been adopted.
4. For alteration, expansion and technological transformation of a project, effective prevention and control measures haven't been proposed for the existing environmental pollution and ecological damage.
5. The basic materials and data of the environment impact report or environmental impact statement are evidently untrue and there are major defects or omissions in the content, or the assessment conclusion is not specific or unreasonable.

### **D) Builder conducts acceptance inspection rather than competent authorities**

In the past, the acceptance inspection was conducted by the competent authorities when the builders filed the application after the closeout of the construction project. From now on, the Revised Administrative Regulation requires the builders to conduct themselves the acceptance inspection without any application to the authorities. The builders shall formulate the acceptance inspection report and announce it to the public.

### **3. New Regulation regarding the "Principles of Asset Appraisal"**

The PRC Ministry of Finance published the Principles of Asset Appraisal (hereinafter "Principles") on 23 August 2017, which have been effective since 1 October 2017. The Principles introduce a specific regulation of the appraisal procedure, the content of the appraisal report, and the methods of appraisal. Any appraisal institution is newly required to conclude a commission contract with its principal in the asset appraisal procedure. The institution must first issue a primary appraisal report. Only after an internal inspection, it will officially issue the appraisal report. All the materials used during the appraisal and all relevant drafts must be filed under in asset appraisal archive. The archive is confidential and must be

kept for no less than 15 years (in general) or 30 years (if it involves a statutory appraisal business) by the asset appraisal institution.

#### 4. Five International Industrial Groups to be build up in the Yangtze River Economic Belt

According to the Guidance to Enhance the Industrial Green Development of Yangtze River Economic Belt (hereinafter the “Guidance”), China is going to build up five industrial groups along the Yangtze River. The Guidance was jointly released on 30 June 2017 by five authorities in the PRC State Council: the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, and the Ministry of Environmental Protection. Specific policies including tax preferences, green credit, green procurement, land use preferential policies and the likes will be released by local authorities.

The five industrial groups are: the electronic information industry, the high-end equipment industry, the vehicle industry, the household appliance industry, and the textile & garment industry. The chart below gives an overview of the specific focuses and regions of the different groups:

No.	Group	Focuses	Regions
1	Electronic information industry	Integrated circuit design and applications	City: Shanghai, Provinces: Jiangsu, Hubei, Chongqing, and Sichuan.
		Software & information technology services	City: Shanghai, Provinces: Jiangsu, Zhejiang, Hubei, Sichuan, and Guizhou.
2	High-end equipment industry	Space flight and aviation equipment	City: Shanghai, Provinces: Sichuan, Jiangxi, Guizhou, Chongqing, Hubei, and Hunan.
		Intelligent manufacturing equipment	Provinces: Zhejiang, Anhui, Hunan, Chongqing, Hubei, Sichuan, and Yunnan.
		Marine engineering equipment	City: Shanghai, Provinces: Zhejiang, Jiangsu, Sichuan, Chongqing, Hubei, and Hunan.
		Hi-speed train relevance	Provinces: Hunan, Anhui, Sichuan, and Guizhou.
		Urban rail vehicle	Provinces: Hunan, Chongqing, Zhejiang and Jiangsu.
3	Vehicle industry	Vehicle equipment innovation production	Cities: Shanghai, Nanjing, Hangzhou, Ningbo, etc. Provinces: Zhejiang, Anhui, Hubei, Jiangxi, and Hunan.

		Intelligent connected vehicle	City: Shanghai, Provinces: Jiangsu, Anhui, Hubei, Chongqing, and Sichuan.
4	Household appliance	n/a	Provinces: Jiangsu and Anhui.
5	Textile & garment	Textile production base	Provinces: Hunan, Anhui, Hubei, Jiangxi, Chongqing, and Sichuan.
		National textiles and fiber technology	Provinces: Jiangsu, Zhejiang, Yunnan and Guizhou.

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