



CHINA LEGAL BRIEFING 12

WENGER VIELI BELSER BEIJING OFFICE

February 15 – February 21, 2003

CHINA LEGAL BRIEFING is a weekly collection of Chinese law related news gathered from various media and news services, edited by WENGER VIELI BELSER and distributed to its clients and CHINA LEGAL REPORT SUBSCRIBERS. WVB does not accept responsibility for accuracy of quotes or truthfulness of content. CHINA LEGAL BRIEFING is not intended to provide legal advice.

1. National

New Rules for Foreign Venture Capital Investment in China

On January 30th, 2003, the Ministry of Foreign Trade and Economic Cooperation, the Ministry of Science and Technology, the State Administration for Industry and Commerce, the State Administration of Taxation and the State Administration of Foreign Exchange Control jointly promulgated Regulations for the Administration of Foreign-Invested Star-up Investment Enterprises, which shall become effective as of March 1st, 2003. Such regulations repealed Interim Regulations concerning Establishment of Foreign-Invested Star-up Investment Enterprises, published on August 28, 2001. (www.law-lib.com)

News Rules for Sino-Foreign Equity Joint Venture Foreign Trade Companies

The Ministry of Foreign Trade and Economic Cooperation on January 30th, 2003 (effective as of the same day) issued Interim Measures for Establishment of Sino-Foreign Equity Joint venture Foreign Trade Companies. Such interim measures repealed Interim Measures for Establishment of Sino-Foreign Equity Joint venture Foreign Trade Companies promulgated in 1996. The new interim measures are issued in line with China's respective WTO commitments, which

Telephone +86 10 64687331
Fax +86 10 64603132
电话: +86 10 64687331
传真: +86 10 64603132

mail@wenfei.com
www.wenfei.com

Wenger Vieli Belser
Room 722
Golden Land Building
No. 32 Liang Ma Qiao Road
Chaoyang District
Beijing 100016 P.R.C

北京办事处
北京市朝阳区亮马桥路32号
高澜大厦7层722
邮编: 100016

Offices Zurich
Wenger Vieli Belser
Dufourstrasse 56 and
Mühlebachstrasse 38
CH-8034 Zürich

Office Zug
Industriestrasse 7
P.O. Box
CH-6301 Zug

permit foreign investors to Sino-foreign equity joint venture foreign trade companies to be majority shareholders. (www.law-lib.com)

For a detailed discussion of the new interim measures, please check our upcoming China Legal Report for February 2003.

2. *Beijing*

New rules boom secondary real estate market in Beijing

Beijing recently promulgated Implementing Measures of Beijing for Sales of Purchased Public-Owned Houses in Market, which will become effective as of March 1st, 2003. Such measures apply to previously public-owned houses which were later purchased by individual or institutional owners.

Under the old policy, to sell purchased public-owned houses in the secondary market, if the purchase price for a particular house exceeds RMB 4,000 per square meter, the seller has to share proceeds of sale with the previous owner (usually a government agency or a government-owned enterprise) of such house at a certain percentage. Under the new measures, this limitation was completely removed, which means that the sell will be able to maintain all the proceeds. The new measures decrease the rate of land use granting fee arising in respect of sales of purchased public-owned houses. In addition, the new measures purchased public-owned houses may have preferential business tax treatments and are exempt from land value-added tax when they are sold in the secondary market.

For a long time, the old policy of Beijing has prevented the performance of the secondary house market due to the high sales costs. Publication of the new measures, by significantly reducing transaction costs, is expected to improve such performance and to boom the secondary house market in Beijing.

© Wenger Vieli Belser, Beijing, February 24, 2003

DISCLAIMER

THIS PUBLICATION IS INTENDED TO PROVIDE ACCURATE INFORMATION IN REGARD TO THE SUBJECT MATTER COVERED. READERS ENTERING INTO TRANSACTION ON THE BASIS OF SUCH INFORMATION SHOULD SEEK ADDITIONAL, IN-DEPTH SERVICES OF A COMPETENT PROFESSIONAL ADVISOR. WENGER VIELI BELSER, THE AUTHOR, CONSULTANT OR GENERAL EDITOR OF THIS PUBLICATION EXPRESSLY DISCLAIM ALL AND ANY LIABILITY AND RESPONSIBILITY TO ANY PERSON, WHETHER A FUTURE CLIENT OR MERE READER OF THIS PUBLICATION OR NOT, IN RESPECT OF ANYTHING AND OF THE CONSEQUENCES OF ANYTHING, DONE OR OMITTED TO BE DONE BY ANY SUCH PERSON IN RELIANCE, WHETHER WHOLLY OR PARTIALLY, UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PUBLICATION.