



CHINA LEGAL BRIEFING 13

WENGER VIELI BELSER BEIJING OFFICE

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1. National

Provisions on Business Without License Took Effect

As of 1 March 2003, the Provisions on Investigation and Suppression of Business without License promulgated by the State Council took effect. Under the nascent rule, such acts as carrying out business without approval or/and Registration Certificate, continuing business after expiration or revocation of Registration Certificate, beyond the registered scope of business conducting business for which approval or certificate is needed, are forbidden under this regulation. The banned acts are subject to a maximum fine of RMB 500,000, which may constitute an offence punishable under Article 134, 135, 136, 225 or other relevant provisions of Chinese Criminal Code.

(www.chinalawinfo.com)

Chinese Began to Granted "Green Card" to Foreigners

On 25 February 2003, 46 foreigners were granted residence permits up to 3 or 5 years by Beijing Bureau of Public Security, which heralds the adoption of "Green Card" at a large scale by Chinese authorities. According to an official from Minis-try of Public Security, China will adopt its own "Green Card" by the end of 2003. Those foreigners who have made significant contribution to Chinese Open and Reform process, or who are experts in artistic and technical fields, or who are family members of Chinese citizens, may expect to get the Green Card. (www.isinolaw.com)

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

Supreme Court Clarified Article 30 (1) of Administrative Reconsideration Law

On 25 February 2003, the Supreme People's Court issued a notice clarifying the procedure for claims arising out of administrative acts involving ownership of and right to use natural resources by providing that it is not mandatory that administrative reconsideration precede law suit in the case of administrative sanctions or compulsory administrative measures involving ownership of or right to use natural resources. Under Article 30(1) of the Law, if a citizen, legal person, or any other organization considers that a specific administrative act of an administrative organ has infringed upon his or its ownership and right to use, which are acquired according to law, of natural resources, such as land, mineral resources, rivers, forests, mountains, grasslands, uncultivated land, beaches, maritime waters, he or it shall first apply for administrative reconsideration and then bring a suit before a people's court according to laws if he or it refuses to accept the administrative reconsideration decision. (www.chinalawinfo.com)

Revised Detailed Rules for Provisions on International Payment Declaration Effected

From 1 March 2003, the Detailed Rules for Provisions on International Payment Declaration promulgated by State Administration of Foreign Exchange came into effect. The revised detailed rule provides that foreign transaction together with incomes and payments thereunder in all forms (including by electronic means or in cash) should be declared with administration of foreign exchange. The new rule sets different declaration procedures for Chinese residents and non-residents. It is noticeable that declaration of foreign-related equities, futures and stock options are elaborated. (www.safe.gov.cn)

2. Local

Shenzhen Municipality Enacted Regulation on Venture Capital

On 27 February 2003, the Standing Committee of National People's Congress of Shenzhen Municipality promulgated Regulation on Venture Capital. This regulation applies to the establishment of venture capital and agencies administrating venture capitals, as well as investment activities conducted by venture capitals and its supervision in Shenzhen Special Economic Zone. The venture capital may take the form of limited company, company limited by shares and limited partnership. The divestment may be made by means of merger, buy back deal or listing stock. (<http://www.southcn.com/news/dishi/shenzhen/ggl/200303030265.htm>)

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