



CHINA LEGAL BRIEFING 14

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1. National

National People's Congress in Session

The National People's Congress, top legislature of China, commenced its annual session on March 5. Following the reshuffle of Party leadership last year, this congressional session is charged with electing the new government. Another important mission of this session is to decide the restructuring of government. Under the proposal produced by the State Council, Ministry of Commerce will be established, replacing the Ministry of Foreign Trade and Economic Cooperation and State Economic and Trade Commission. Other organs, including State Family Planning Commission and State Development Planning Commission will be subject to renaming. (www.china.org.cn)

New Rules for Combating Money Laundering Took Effect

As of March 1, three new rules for cracking down money laundering took effect. These rules, including Rules for Anti-money Laundering by Financial Institutions, Administrative Rules for the Reporting of Large-Value and Suspicious RMB Payment Transactions, and Administrative Rules for the Reporting of Large-Value and Suspicious Foreign Exchange Payment Transactions, were promulgated by the People's Bank early this year.

Under the new rules, people carrying out transactions involving over RMB 200,000 (US\$24,184) on individual bank accounts will be monitored. Corpo-

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rations making payments of over RMB 1 million or receive payments of over RMB 200,000 will also be monitored. Authorities will also monitor individuals depositing more than US\$10,000 or making more than US\$100,000 in non-cash transactions in a single day, and corporations making transactions of over US\$500,000 in a single day. (www.pbc.gov.cn)

Interim Regulation on Management of Foreign Loans Took Effect

As of March 1, the Interim Regulation on Management of Foreign Loans co-promulgated by State Development and Reform Commission (then State Development Planning Commission), Ministry of Finance and State Administration of Foreign Exchange took effect.

The new rule categorizes foreign loans into three types of loans from foreign governments, loans from international financial institutions and international commercial loans, each subject to different level of management. For foreign invested enterprises, where the sum of long & medium term loans incurred and balance of short term loans is less than the difference between approved total investment and registered capital, they are discretionary to incur foreign loans; otherwise, the total investment shall be adjusted and re-approved.) (www.people.com.cn)

Regulation on Indoor Air Quality Standards Took Effect

Another regulation took effect from March 1 is the Regulation on Indoor Air Quality Standards, which was co-promulgated by Ministry of Health, State Administration of Environment Protection and State Administration of Quality Supervision, Inspection and Quarantine.

This is the third Chinese regulation governing indoor air quality, the other two being Guidelines for Managing Indoor Pollution of Civilian Constructions and Limitations on Harmful Substances in Materials for Indoor Decoration. The new regulation, unlike the other two existing ones which are mandatory, is hortatory in nature unless cited by laws or incorporated in contracts. (www.people.com.cn)

2. *Local*

Beijing Offered Temporary Driving Licenses to People from Hong Kong, Marco and Taiwan

From March 1, the residents from Hong Kong, Macao and Taiwan who are not eligible for residence permits in Beijing may apply for temporary driving licenses. Under the new rule, these residents may obtain renewable three-month driving licenses without taking any examinations. However, they have to produce their passes and the addresses in the license will be filled in accordance with their addresses in Beijing. (<http://www.bjjtgl.gov.cn/>)

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