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1. National

Criteria and Procedures of Establishment of Export Processing Zones

设立出口加工区的审批标准和程序

【**Issued By**】 Customs General Administration *et al*

【**Subject**】 Foreign Trade

【**Promulgated on**】 April 8th 2004

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【**Source**】 www.chinatax.gov.cn

The major criteria for establishing Export Processing Zones (EPZ) are as follows:

1. The EPZ should in principle be established in a state Development Zone (SDZ) as approved by the State Council. Each SDZ can only have one EPZ.
2. The SDZ applying for the establishment of an EPZ should have an annual import-export value from processing trade exceeding USD 100 million

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3. There can be only one EPZ in the province whose annual import-export value from processing trade is less than USD 10 billion
4. The province whose annual import-export value from processing trade exceeds USD 10 billion may apply for an additional EPZ
5. The Province may not apply for an additional EPZ or extend the existent EPZ unless the annual import-export value from processing trade existent of the EPZ therein exceeds: (a) USD 50 million (eastern provinces); (b) USD 20 million (central provinces); (c) USD 10 million (western provinces).
6. An EPZ will be cancelled under the following conditions: (a) its construction has not commenced within 2 years of approval; (2) the annual import-export value from processing trade fails to reach USD 1 million within 4 years of approval.

The application for the establishment of an EPZ shall be filed with the State Council and forwarded to its relevant departments by the provincial governments. The State Council will make its decision after the relevant departments make their remarks. These relevant departments include the Customs General Administration, the State Commission for Development and Reform, the Ministry of Finance, the Ministry of Land and Resources, the Ministry of Commerce, the State Administration of Taxation, the State Administration of Industry and Commerce, the State Administration of Quality Supervision, Inspection and Quarantine, and the State Administration of Foreign Exchange.

Provisional Rules on the Administration of Insurance Asset Management Companies

保险资产管理公司管理暂行规定

【Issued By】 China Insurance Regulatory Commission

【Subject】 Insurance

【Promulgated on】 April 21st 2004

【Effective From】 June 1st 2004

【Source】 www.circ.gov.cn

The insurance asset management company refers to a company established with the approval of China Insurance Regulatory Commission to manage the insurance funds of insurance companies, including reserves, capital, operation funds, accumulation funds, undistributed profits and other debts, and various other assets formed on the basis of the above funds.

The insurance asset management company may take the form of a limited liability company or company limited by shares, with the registered capital no less than RMB 30 million or an equivalent of free convertible curren-

cies. At least one of the shareholders or initiators shall be an insurance company or an insurance controlling company which meets the following conditions:

1. Having been operational in the insurance business for more than 8 years;
2. Not having received any administrative penalties for violation of provisions on the use of funds during the latest three years of operation;
3. Having a net asset value no less than RMB 10 billion and a total asset value no less than RMB 50 million. In the case of an insurance controlling company and a life insurance company, the total assets has to be no less than RMB 100 billion;
4. The value of the funds operated by the fund management departments therein should be no less than 50% or 80% (in the case of a life insurance company) of the total asset value.

It seems that foreigners may invest in the insurance asset management company. However, the shareholding of domestic insurance companies shall be no less than 75%.

Provisional Rules on the Administration of Enterprise Pension Funds

企业年金基金管理试行办法

【Issued By】 Ministry of Labor and Social Security *et al*

【Promulgated on】 February 23rd 2004

【Subject】 Social Security; Finance

【Effective From】 May 1st 2004

【Source】 www.china.com.cn

This regulation governs the commissioned management, account management, custodianship and investment management for pension funds of enterprises. Pension funds refer to funds raised under the enterprise pension plan and its investment profit thereof accruing into complementary endowment insurance funds.

The contractual relationships are multifold: (1) between enterprises and their employees ("Principal"), and pension fund council of the enterprise or legal person commissioned institution ("Fiduciary"); (2) between Fiduciary and pension funds account management institutions ("Account Manager"); (3) between pension fund custodian institutions ("Custodian") and pension fund investment management institutions ("Investment Manager").

Enterprise pension funds are independent from properties owned or managed by the Principal, the Fiduciary, the Account Manager, the Custodian, the Investment Manager, and other national persons, legal persons and entities providing fund-related services. If these persons become insolvent, the assets of pension funds shall not be included into the bankruptcy property.

The regulations in the subsequent sections provides rules for the Fiduciary, the Custodian, the Account Manager and the Investment Manager. They also address the distribution of profits and costs, the disclosure of information, the role of intermediaries, and supervision and inspection.

Circular on Issues of Collection and Payment of Foreign Exchange in Export Credit Insurance

关于出口信用保险业务外汇收付有关问题的通知

【Issued By】 State Administration of Foreign Exchange

【Promulgated on】 April 12th 2004

【Subject】 Export Credit Insurance

【Effective From】 May 1st 2004

【Source】 www.law-lib.com

This Circular is adopted to facilitate the collection and payment of foreign exchange in transactions involving export credit insurance. It sets out three scenarios for and for each the required documents that have to be produced at the banks and the working procedures are specified. The three scenarios are: the payment of premiums and compensations, the refund of premiums, and the collection and payment in foreign exchanges for reclaimed sums.

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