



CHINA LEGAL BRIEFING 73

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1. *National*

Guidelines for Risk Control for Operation of Insurance Funds

保险资金运用风险控制指引（试行）

【**Issued By**】 China Insurance Regulatory Commission

【**Subject**】 Risk Control

【**Promulgated on**】 April 28th 2004

【**Effective From**】 June 1st 2004

【**Source**】 www.law-lib.com

The document, comprising 6 parts, requests insurance companies and insurance asset management companies incorporated in China to establish risk control mechanisms for the operation of insurance funds. The headings of the constituting parts are as follows: general provisions, principles of risk control, institutional control, scope of risk control, inspection & supervision and assessment and final clauses.

The principles for risk control are: (1) independence, checks and balances; (2) comprehensive control; (3) timely response; (4) responsibility and accountability. The scope of risk control will cover such areas as management of assets and liabilities, investment decisions and transactions, management of risk

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control technology and information technology, management of accounting, and management of human resources.

Urgent Circular on Prohibition of Commercial Advertisement in the Name of Governmental Institutions

关于禁止在商业广告中使用国家机关名义的紧急通知

【Issued By】 State Administration of Industry and Commerce

【Subject】 Advertisement

【Promulgated on】 April 10th 2004

【Effective From】 April 10th 2004

【Source】 www.law-lib.com

The operative part of the Circular provides that entities and individuals are banned from advertising commercially in the name of Governmental Institutions including their short titles. The Governmental Institutions shall comprise the Party, the governments and departments thereof, people's congresses, political consultative conferences, the judiciary, the procuratorate, the military, the armed police, and other governmental institutions.

Circular on Reinforcing the Coordination and Cooperation between Industry Policies and Credit Policies to Control the Credit Risk

关于进一步加强产业政策和信贷政策协调配合，控制信贷风险有关问题的通知

【Issued By】 National Development and Reform Commission, People's Bank of China, China Banking Regulatory Commission

【Subject】 Industry Policy, Credit Policy

【Promulgated on】 April 30th 2004

【Effective From】 April 30th 2004

【Source】 www.sdpc.gov.cn

The essence of the Circular is that local offices of the National Reform and Development Commission (NRDC) shall overhaul projects under construction or to be constructed, using the annexed List of Current Restraints of Repetitive Construction at Low Levels for Certain Industries ("当前部分行业制止低水平重复建设目录", Referred to as List of Restraints) as yardstick, and apply a suitable treatment based on the classifications in the

List. Meanwhile, the local branches of People's Bank of China (PBC) shall faithfully implement the credit policies adopted by the PBC, issue guidelines in order to provide financial facilities, and assist the commercial banks to establish an early warning credit risk mechanism. At the same time, local offices of the China Banking Regulatory Commission (CBRC) shall ensure that commercial banks act in line with state industry policies and credit policies.

The annexed List of Restraints covers such industries as steel, nonferrous metal, machinery, building materials, petroleum & chemical, light industry, textile, pharmacy, and printing. Each industry is subdivided into two categories, Ban and Limitation, enjoying different regulatory treatments.

Local offices of NRDC and financial institutions are requested to classify the projects to their concerns by making reference to the List of Restraints and adopt different treatments: (1) Projects classified under the Ban Category shall either be terminated for those under construction or cease to be used for those accomplished. Financial institutions shall stop providing new financial facilities and take appropriate measures to ensure repayment of outstanding facilities. (2) Construction of projects classified under the Limitation Category shall not be commenced or be suspended, pending the decisions to be made by competent authorities. While awaiting the final decisions, no new financial facilities shall be provided by financial institutions.

Provisional Rules on Administration of Architectural Designing Activities within the PRC by Foreign Enterprises

关于外国企业在中华人民共和国境内从事建设工程设计活动的管理暂行规定

【Issued By】 Ministry of Construction

【Subject】 Architectural Designing

【Promulgated on】 May 10th 2004

【Effective From】 June 9th 2004

【Source】 www.sdpc.gov.cn

The regulation applies to foreign enterprises incorporated in China to engage in architectural designing business. It equally applies to the provisions within China of preliminary design (“初步设计（基础设计）”) and elaborate design (“施工图设计（详细设计）”) by foreign enterprises through trans-boundary delivery. However, the regulation does not apply to preparatory work before the stage of preliminary design.

Foreign enterprises which wish to engage in architectural designing business in China shall find at least one Chinese partner holding qualifications of architectural designing to conduct cooperative designing. The capacity of the foreign enterprise is limited by the qualification of its Chinese partner. The cooperation contracts between foreign enterprises and their Chinese partners shall have a Chinese version. In no case may foreign enterprises engage in designing of confidential projects, projects against natural disasters, and projects in which foreign investment is prohibited.

The designing contract shall be concluded in Chinese between the enterprise whose project is to be constructed and the Chinese designing enterprise. The foreign enterprise may also be a party to the contract together with its Chinese partner.

The designing fees shall be charged by making reference to the standards applicable in China. Furthermore, Tax shall be paid to the governments of China.

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