



## CHINA LEGAL BRIEFING 106

W E N G E R & V I E L I B E I J I N G O F F I C E

March 21<sup>st</sup> - March 26<sup>th</sup>, 2005

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

### 1. National

#### **Circular on Strengthening the Supervision on Management of Concessionary Business Operation Activities**

关于加强对特许经营活动管理的通知

**【Issued By】** Ministry of Commerce

**【Subject】** Management of Business Operations

**【Promulgated on】** March 10<sup>th</sup> 2005

**【Source】** <http://www.mofcom.gov.cn/>

#### W E N G E R & V I E L I

ROOM 722, GOLDEN LAND BUILDING, NO. 32 LIANG MA QIAO ROAD, CHAOYANG DISTRICT, BEIJING 100016 P.R.C  
PHONE: +86 10 6468 7331 / 32, FAX: +86 10 6460 3132

WE PROVIDE EXTENSIVE LEGAL ADVICE AND REPRESENTATION PRIMARILY IN THE FOLLOWING FIVE PRACTICE AREAS

- FINANCIAL SERVICES (BANKING LAW, STOCK EXCHANGE AND SECURITIES LAW, INVESTMENT FUND LAW)
- TRANSACTIONS (MERGERS AND ACQUISITIONS, PRIVATE EQUITY AND CAPITAL MARKETS)
- LITIGATION/ARBITRATION
- COMPETITION LAW AND INTELLECTUAL PROPERTY LAW
- TAX

In recent years, the Concessionary Management, as a new circulation manner, gained rapid development in China and has become an effective way of company scale expansion. This Circular is promulgated by Ministry of Commerce with a view to regulating concessionary business activities, furthering the sound development of concessionary business operations and strengthening the supervision on management of concessionary business operations.

The Circular comprises five parts:

- Seriously implement "Supervision Measures on Business Concessionary Management" and increase the supervision ability according to law.
- Stick to classified direction and reinforce supervision of Concessionary Management activities.
- Standardize Concessionary Management Exhibition and avoid any fraud behavior taking advantage of the exhibition.
- Intensify publicity and create a favorable environment for Concessionary Management development.
- Sufficiently bring into play the function of industry association and enhance industry self-discipline.

The Circular also provides that all the development of local Concessionary Management and "2004 Questionnaire on Business Concessionary Management" shall be submitted to Department of Commercial Reform and Development of Ministry of Commerce before the end of March 2005.

### **Administrative Measures on Transfer of Goods under Processing Trade Arrangements from Export Processing Zones**

海关出口加工区货物出区深加工结转管理办法

**【Issued By】** General Administration of Customs

**【Subject】** Goods Transfer

**【Promulgated on】** March 21<sup>st</sup> 2005

**【Effective From】** May 1<sup>st</sup> 2005

**【Source】** <http://www.customs.gov.cn/>

The Measures are formulated in order to facilitate business operations for enterprises within the export processing zones, to promote the enlargement of export of goods and to further perfect the administration of transfer of goods. The Measures also set out the procedures of transferring goods under processing trade arrangements

from export processing zones to other regions for further processing.

The Measures specify that enterprises transferring goods under processing trade arrangements from export processing zones shall, in accordance with other relevant PRC laws, apply for recordation with the local Customs authority or other competent authority. The Measures also detail the procedures and formalities of application for recordation, such as the ways to fill in the application forms and where to hand in the completed application forms. Article 13 and 14 further articulate the methods and requirements for enterprises which transfer goods under processing trade arrangements to report to the Customs authorities.

### **Circular on Implementation of the "Temporary Administrative Measures on Beauty Industry"**

关于贯彻实施《美容美发业管理暂行办法》的通知

**【Issued By】** Ministry of Commerce

**【Subject】** Beauty Industry

**【Promulgated on】** March 19<sup>th</sup> 2005

**【Source】** <http://www.mofcom.gov.cn/>

This Circular applies to responsible commercial sectors in all the provinces, autonomous regions and municipalities. This Circular is issued in order to better develop the guidance, coordination, supervision and management of the Beauty Industry and to implement the "Temporary Administrative Measures on Beauty Industry" which will be effective on June 1<sup>st</sup> 2005.

The Circular contains five parts:

- Promote the development of Beauty Industry with the guidance of Scientific View of Development.
- Strengthen the guidance to the industry development, so as to normalize the industry and provide healthy environment to the development of enterprises.
- Start the construction of standardization for the concern of consumer's health.
- Regulate the market in order to fight against commercial fraud and to form relevant punishment systems.
- Bring into full play the function of industry organization.

The Circular also provides that "All the local implementation issues and suggestions shall be timely submitted

to Ministry of Commerce."

**Provisional Regulation on Administration of Technological Innovation Funds for  
Technology-Based Small and Medium-Sized Enterprises**

科技型中小企业技术创新基金项目暂行管理办法

**【 Issued By 】** Ministry of Finance, Ministry of Science and Technology

**【 Subject 】** Technological Innovation Funds

**【 Promulgated on 】** March 2<sup>nd</sup> 2005

**【 Effective From 】** March 2<sup>nd</sup> 2005

**【 Source 】** <http://www.most.gov.cn/>

In order to further regularize and improve the management of the technological innovation fund for small and medium-sized enterprises (SMEs) of science and technology, to support the SMEs in technological innovation and to promote their capacity of independent innovation, Ministry of Science and Technology (MOST) and Ministry of Finance have jointly issued the "Provisional Regulation on Administration of Technological Innovation Funds for Technology-Based Small and Medium-Sized Enterprises", which lays down in detail the conditions in support of application for the fund; the application and acceptance for the project funds; the record and review of a project; and the supervision, management and acceptance check of the project.

© Wenger & Vieli, Beijing, March 26<sup>th</sup>, 2005

Check the China Legal Briefing archives on: <http://www.wengerlaw.ch/EN/publications/1/index.asp>  
Obtain your personal subscription from: [china@wengerlaw.ch](mailto:china@wengerlaw.ch)

**DISCLAIMER**

THIS PUBLICATION PROVIDES GENERAL INFORMATION WITH REGARD TO ITS SUBJECT MATTER ONLY. IT DOES NOT CONSTITUTE LEGAL ADVICE AND IS NOT INTENDED TO REPLACE SUCH ADVICE. PLEASE REFER TO OUR DISCLAIMER UNDER [HTTP://WWW.WENGERLAW.CH/EN/LEGAL/DISCLAIMER/INDEX.ASP](http://www.wengerlaw.ch/EN/LEGAL/DISCLAIMER/INDEX.ASP). ALL COPYRIGHTS ARE RESERVED (SEE: [HTTP://WWW.WENGERLAW.CH/EN/LEGAL/COPYRIGHT/INDEX.ASP](http://www.wengerlaw.ch/EN/LEGAL/COPYRIGHT/INDEX.ASP)).