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1. National

Circular on Further Promoting the Task of Liquidating the Implementation of Regional Blockage in Market Economic Activities

关于进一步推进清理在市场经济活动中实行地区封锁规定工作的通知

【Issued By】 Ministry of Commerce

【Subject】 Regional Blockage in Market Economic Activities

【Promulgated on】 March 22, 2005

【Source】 <http://www.mofcom.gov.cn/>

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- TAX

To put into effect the spirit of Third Plenary Session of the Sixteenth Central Committee of the Party on breaking regional blockage and accelerating the establishment of a unified national market, Ministry of Commerce, Ministry of Supervision, Legislative Affairs Office of the State Council, Ministry of Finance, Ministry of Communications, State Administration of Taxation and General Administration of Quality Supervision, Inspection and Quarantine jointly promulgated, in June 2004, "Circular on Promoting the Task of Liquidating the Implementation of Regional Blockage in Market Economic Activities". This last-year-issued Circular required all the local responsible sections to straighten out various regulations of regional blockage in market economic activities.

To regulate commodity circulation order, to improve commodity trade environment and to further promote the task of liquidating the implementation of regional blockage as well as to reinforce the implementation of the afore-mentioned Circular, Ministry of Commerce issued the "Circular on Further Promoting the Task of Liquidating the Implementation of Regional Blockage in Market Economic Activities". The Circular urges all the local sections to accomplish the following two tasks before the end of June, 2005, so as to further develop the liquidation:

- When the liquidations conclude, the responsible commercial sections of provincial level shall collect the result of the regional liquidation. Legislative Affairs Office of the provincial level shall promulgate all the contents in two additional documents to major media in the province. The promulgation and summary of the liquidation shall be submitted to Ministry of Commerce and Legislative Affairs Office of the State Council.
- All the responsible sections shall raise specific timetables for the documents that are planned to be amended and abolished. They are also demanded to fill contents listed in required documents carefully and to submit them to Ministry of Commerce and Legislative Affairs Office of the State Council.

Circular on Reminding Chinese Banks of Potential Risks in Derivative Products Transactions

关于对中资银行衍生产品交易业务进行风险提示的通知

【 Issued By 】 China Bank Regulatory Commission

【 Subject 】 Derivative Products Transactions

【 Promulgated on 】 March 22, 2005

【 Source 】 <http://www.cbrc.gov.cn/>

The Circular is issued by the China Bank Regulatory Commission (CBRC) requiring Chinese banks to strengthen

the management of risks inherent in derivative products transactions. It intends to put the banks on guard against the credit risks, market risks, liquidity risks, operational risks and legal risks arising from derivative products transactions, and thereby promoting a healthy development of derivative business.

In this Circular, CBRC sets out instructions including strictly abiding by the policies pertaining to delegations of power and stop loss limits, strengthening the banks' internal controls and corporate governance, improving the banks' capability of risk identification and monitoring, and establishing a risk reporting system.

In this Circular, CBRC also requires that the banks that are either authorized to conduct derivative products transactions or are applying for such transactions shall carry out self-inspections and shall submit to CBRC their inspection reports. All the local offices of CBRC shall scrutinize the types and the risk exposures of derivative activities conducted by the banking institutions under their jurisdiction, and shall promptly report to the CBRC headquarters as soon as any material problems are detected in their day-to-day oversight or in the process of the self-inspections by banks. Any banking institutions conducting derivatives transactions without the authorization from CBRC will be penalized by the CBRC, and the bank officials involved will even face legal proceedings.

Regulation on Provision of Legal Relief for Substantially Poor Parties Revised in 2005"

关于对经济确有困难的当事人提供司法救助的规定（2005 年修订）

【Issued By】 Supreme People's Court

【Subject】 Procedural Law

【Promulgated on】 April 6, 2005

【Effective From】 April 6, 2005

【Source】 <http://www.law-star.com/>

This Regulation is promulgated with a view to facilitating substantially poor parties to exercise their lawful litigation rights and to safeguarding their legitimate interests. The Supreme People's Court has been issued a similar Regulation since to ensure and help substantially poor parties to exercise their lawful litigation rights, and this new Regulation has made some amendments to the old one.

Article 3.3 of the new Regulation stipulates that those who have serious diseases shall have the right to apply with the People's Courts for legal relief. On the contrary, under the old Regulation they are not deemed as qualified to apply for legal relief.

Further, whereas it is commonly hard for helpers who save other's life with good faith beyond their responsibility but suffer physical or economic loss or damage to claim for compensation and remedy, the new Regulation has been so amended and improved that it is possible for the helpers concerned or their relatives rights to ask for compensation or economic remedies.

The new Regulation also allows those substantially poor parties expressly identified in Article 3 of the Regulation to postpone paying the litigation fee when the law suit is filed. The new Regulation further perfects and simplifies the approval procedure of application for legal relief.

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