



CHINA LEGAL BRIEFING 111

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

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1. National

Decision to Carry Out Shareholding Reform in the Industrial and Commercial Bank of China

批准中国工商银行实施股份制改革的方案的决定

【Issued By】 State Council

【Subject】 Bank Reform

【Promulgated on】 April 21st 2005

【Source】 <http://www.pbc.gov.cn/>

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The State Council has approved the shareholding reform scheme of the Industrial and Commercial Bank of China (ICBC) and work plan for the next step of shareholding reform of the Bank of China (BOC) and China Construction Bank (CCB). This is an important decision made in the spirit of the 16th CPC National Congress and its 3rd Plenum, aiming at accelerating financial reform and promoting the healthy development of the financial sector.

ICBC, the commercial bank with the largest assets in China, has made enormous contribution to the development of national economy and economic system reform, and has accumulated relatively large risks as well due to historical reasons. In recent years, depending on its own efforts and favorable state policies, ICBC has achieved great progress in strengthening internal control, improving management and raising profitability, thus basically reached the conditions for shareholding reform. To meet the need of financial opening-up and economic development, and on the basis of summarizing the experience of the pilot shareholding reforms of BOC and CCB, the State Council decided to implement shareholding reform on ICBC.

According to the request of the State Council, ICBC will promote the reform in an all-round manner. By focusing on setting up modern property right system and corporate governance structure, it will take steps to transform operating mechanism and establish modern financial corporation system. After the reform, ICBC is expected to become a large modern commercial bank that has adequate capital, rigorous internal control, and sound operating mechanism, provide high quality services and enjoy good profitability, and its major operating indicators should reach the international standards. Therefore, ICBC should combine its efforts with state support and pay equal attention to reform and management, development, and steadily promote overall restructuring.

Core capital adequacy ratio will reach 6 percent with the capital replenishment of USD 15 billion of foreign exchange reserves, and the overall capital adequacy ratio will exceed 8 percent with the issuance of subordinated debt. Stricter external supervision and performance evaluation will be conducted to ensure the safety and adequate returns of the injected capital. ICBC will also take measures to establish standard corporate governance structure and speed up internal reform to enhance risk control. In disposing the non-performing assets, responsibilities of related bank staff must be investigated, and any attempt to escape bank loan repayment will be severely punished.

Civil Servant Law of People's Republic of China

中华人民共和国公务员法

【 Issued By 】 National People's Congress

【 Subject 】 Civil Servant

【Promulgated on】 April 27th 2005

【Effective From】 January 1st 2006

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

Chinese top legislature approved the country's first Civil Servant Law to improve its civil servant system by defining officials' rights and responsibilities on April 27, 2005. The Standing Committee of the 10th National People's Congress (NPC) deliberated the bill during its 15th session from April 24 to 27.

Chinese officials will have more rights to protect their personal interests while taking more responsibility for their behavior, according to the law. Absorbing a lot from the current related regulations, the law covers such areas as the duties, posts and ranks, recruitment, assessment, salaries, training, punishments and related issues concerning public servants.

The law will help civil servants to have a clearer perception of their career responsibilities and performance standards. According to the law, officials should take the blame and quit their posts if their mistakes or negligence cause major losses or serious social repercussions. The law stipulates that all public servants should be recruited through just, open and fair examinations. At present, there are still some officials who become civil servants through directly engaging or transferring from civilian organizations.

The new law gives precise procedures for civil servants to appeal against decisions they disagree with in order to distinguish their legal responsibilities. Civil servants also are required to stay out of cases involving their relatives. In addition, the law ensures a stable salary system saying that civil servants' salary should be in line with the local economic levels and should be increased according to the economic growth.

Notice Concerning the Amendments to the "Letter of Authorization for Customs Declaration Agents"

有关修改后的《代理报关委托书/委托报关协议》的通知

【Issued By】 General Administration of Customs

【Subject】 Customs Declaration Agent

【Promulgated on】 April 25th 2005

【Effective From】 May 1st 2005

【Source】 <http://www.customs.gov.cn/>

This Notice is released by the General Administration of Customs in order to clarify issues in the application of the "Letter of Authorization for Customs Declaration Agents".

The Notice specifies that the "Letter of Authorization for Customs Declaration Agents" will become applicable as from May 1, 2005, and it also articulates that the trial version of "Letter of Authorization for Customs Declaration Agents" will also be available simultaneously with the formal one, but only effective from May 1 to December 31, 2005.

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