



## CHINA LEGAL BRIEFING 114

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

#### **Opinions on the Task of Stabilizing the Housing Prices**

关于做好稳定住房价格工作的意见

**【Issued By】** Ministry of Construction, National Development and Reform Commission, Ministry of Finance, Ministry of Land and Recourses, People's Bank of China, State Administration of Taxation, China Bank Regulatory Commission

**【Subject】** Real Estate

**【Promulgated on】** April 30, 2005

**【Source】** <http://www.china.org.cn/>

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- COMPETITION LAW AND INTELLECTUAL PROPERTY LAW
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In an attempt to stabilize housing prices and to maintain the sound development of real estate industry, seven government authorities jointly issued this Circular as of April 30, 2005. Despite the issuance of this policy, it is believed that housing prices in big cities, like Beijing and Shanghai, are unlikely to be greatly affected.

According to the new policy, owners of private property who sell after less than two years after purchase must pay business taxes calculated according to the sale price.

The Circular also states that local real estate administration departments must demand information on price levels and housing sizes before developers are granted permission for land use, using reducing construction costs for affordable housing and restricting developers' profits to three percent as guidelines.

The Circular explicitly requires the local real estate administrations to strictly administrate the housing industry, *inter alia* to properly increase the rate of lands used for the purpose of living in the total providing lands in a specific district where housing prices go up too fast and to regulate the advertisements and contracts of house sales.

#### **Circular on Adjusting Export Tariffs on Textiles as from June 1, 2005**

自 2005 年 6 月 1 日起对纺织品出口关税进行调整

**【 Issued By 】** State Council

**【 Subject 】** Export Goods

**【 Promulgated on 】** May 20, 2005

**【 Effective From 】** June 1, 2005

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

On May 20, 2005, Customs Tariffs Committee of the State Council made the decision to adjust tariff rates of some textile clothing products as of June 1, 2005. Among these products, started export tariff imposition since January 1, 2005, tariffs of 2 categories shall be ceased, tariffs of 3 categories shall be decreased, higher tariffs shall apply to 74 categories, and 1 category shall start tariff imposition. In addition, for other textiles whose export taxes rates are imposed as from June 1, 2005, the tax rates are unchanged.

**Announcement on Publicizing Forbidden Commodity Catalogue of Processing Trade**

《列入加工贸易禁止类的商品目录》的公告

**【Issued By】** Ministry of Commerce, General Administration of Customs

**【Subject】** Trade

**【Promulgated on】** April 29, 2005

**【Effective From】** May 19, 2005

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

In accordance with Foreign Trade Law of the PRC, Customs Law of the PRC and relevant requirements on national macro-control and industry development policies, products like iron ore, pig iron, scrap steel, billet, steel ingot, rare-earth raw ore and rock phosphate in powder are decided to be listed in Forbidden Commodity Catalogue of Processing Trade.

According to this Announcement, processing trade operation of the above-mentioned products, which are examined and approved by commercial departments and put on records by Customs, shall be conducted in line with current Processing Trade Policy till July 31, 2005.

As of August 1, 2005, imported materials and exported finished products shall be regulated as ordinary trade cases, and Record Number on Import and Export Declaration Form shall not be filled in with Processing Trade Manual Number. For the imported bonded materials with no cancellation after verification before August 1, 2005, Processing Trade Manual Number shall be filled in Remark Form of Export Declaration Form. The duration of Processing Trade Manual with expiry date later than May 19, 2005 shall not be prolonged.

Un-sintered iron sand and its concentrate, sinter-roasting iron sand and its concentrate, roasted pyrite, alloy pig iron, spiegel, casting pig waste crushed aggregates, stainless steel waste crushed aggregates, untitled steel waste crushed aggregates, alloyed steel powder and non-pan milling agustite, etc. are listed on this Catalogue.

## **Administration Regulation on Financial Bond Issuance in the Inter-Bank Bond Market National-Wide**

全国银行间债券市场金融债券发行管理办法

**【 Issued By 】** People's Bank of China

**【 Subject 】** Financial Bonds

**【 Promulgated on 】** April 27, 2005

**【 Effective From 】** June 1, 2005

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

The People's Bank of China, the country's central bank, issued this Regulation on April 27, 2005 on the issuance of financial bonds in China's inter-bank bond market.

The Regulation is believed to increase the balance capability and direct financing proportions of financial institutions by boosting the issuance of financial bonds in China and to provide general rules on financial bonds issuance in China's inter-bank market.

Financial bonds are negotiable bills issued in the inter-bank bond market by financial institutions in China which should be paid with interest when repaying the principal. The institutions include policy-lending banks, commercial banks and finance companies of corporations.

According to the Regulation, commercial banks issuing bonds must have a core capital adequacy ratio not less than four percent while the ratio for finance companies cannot be less than 10 percent.

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