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1. National

Circular on Strengthening Administration of Tax in Real Estate

关于加强房地产税收管理的通知

【Issued By】 Ministry of Construction, Ministry of Finance, Ministry of Land and Recourses, State Administration of Taxation

【Subject】 Tax in Real Estate

【Promulgated on】 May 30, 2005

【Source】 <http://www.cctv.com/>

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- TAX

The State Administration of Taxation, the Ministry of Finance and the Ministry of Construction jointly issued a circular on May 30, 2005 designed to strengthen government management of property taxation.

According to the Circular, administrative departments can grant a property registration certificate only when it is confirmed that taxes on the property have been properly paid. The Circular also gives details on how real estate companies should be taxed and requires all local taxation and finance departments to strictly implement the new policies.

Earlier in May, seven of the country's ministries jointly issued a regulation which stated that after June 1, 2005, private houses sold within two years of purchase must pay business taxes on the wholesale price of the property. This Circular in question is believed to be a supplementary to that important Regulation, and it also specifies more detailed explanations and further requirements for the Regulation.

Circular on Administrative Punishment Measures on Rubber Check Issuers

对签发空头支票行为实施行政处罚有关问题的通知

【Issued By】 People's Bank of China

【Subject】 Rubber Check

【Promulgated on】 May 23, 2005

【Source】 <http://www.pbc.gov.cn/>

On May 23, 2005, the People's Bank of China released a circular on problems relating to rubber checks. The Circular said that the central bank and its branches will impose administrative penalties on those who sign rubber checks.

The Circular prescribes a fine between a minimum of 1,000 yuan (US\$120) and up to 5 percent of the face value of the check, whichever is the higher. The fines will be imposed on persons who write rubber checks without an intention to defraud. The Circular further regulates how penalties for rubber checks will be enforced. To further intensify its supervision and management of rubber checks, the People's Bank of China also shows its bid to set up a "blacklisting" mechanism in all its branches, and shall disclose such information to other banks where necessary.

Circular on Related Issues about Implementation of "Measures on the Administration of Pawn Industry"

关于贯彻实施《典当管理办法》的有关问题通知

【 Issued By 】 Ministry of Commerce, Ministry of Public Security

【 Subject 】 Pawn Industry

【 Promulgated on 】 May 17, 2005

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

For the purposes of implementing well the "Measures on the Administration of Pawn Industry" (Decree No. 8 of Ministry of Commerce and Ministry of Public Security, hereinafter referred to as "the Measures") and improving further the supervision and management of pawn industry, the Ministry of Commerce and the Ministry of Public Security jointly released this Circular.

The Circular requires the competent commercial administrations and public security organs at all levels to realize the important meaning of implementing carefully the Measures in regulating pawn activities, tighten up the management of pawn trade and promote sustained and healthy development of it.

Regarding detailed issues in implementation of the Measures, the Circular prescribes that before the application materials of establishing pawnshop or pawnshop's applying for establishing branches are reported to the Ministry of Commerce, local competent commercial administrations should transfer the materials relating management of peace and order to public security organs of the People's Government at the same level for preliminary examination.

The Circular also further explains that "other senior managers" stipulated in Article 16, Item 4 of the Measures mean the directors, supervisors, managers and persons responsible for financial affairs of pawnshops.

Administration Regulation on Short-term Financing Bonds

短期融资券管理办法

【 Issued By 】 People's Bank of China

【 Subject 】 Financing Bonds

【 Promulgated on 】 May 23, 2005

【Effective From】 May 23, 2005

【Source】 <http://www.pbc.gov.cn/>

The People's Bank of China released this Regulation on May 23, 2005 with a view to further developing the monetary industry, standardizing the issuance and exchange of short-term financing bonds and safeguarding the lawful rights of those parties holding short-term financing bonds.

Short-term financing bonds refer to financial bonds issued and exchanged in the inter-bank bond market by the security company for the purpose of financing in short term and the principal and interests shall be paid within the contracted period. The issue and exchange of such financial bonds shall be under the supervision of the People's Bank of China.

The Regulation not only clarifies People's Bank of China's supervision and administration over the issuance and transaction of financing bonds, but also explicitly stipulates that the issuance of financing bonds shall be recorded by the People's Bank of China. Furthermore, it prescribes the rules for issuers to disclose the information of financing bonds.

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