



## CHINA LEGAL BRIEFING 118

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

#### **Circular on Instruction Guidances of Reform of Equity Division for Listed State-Owned Enterprises**

关于国有控股上市公司股权分置改革的指导意见

**【Issued by】** State Assets Supervision and Administration Commission of State Council

**【Subject】** Securities

**【Promulgated on】** June 17, 2005

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

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The State Assets Supervision and Administration Commission issued this Circular on June 17, 2005 that the country would maintain controlling positions in some crucial state-owned enterprises (SOEs) while engaging in share structure reform.

The Circular stipulates that companies with a significant influence on the business of State shareholders' should set an adequate minimum level of State shares based on the needs of the firms.

The Circular is also given to send a clear signal to the market that although all the shares are entitled to float after share structure reform, state shareholders will still keep their controlling position in certain sectors and will not be put on the market immediately.

The Circular also articulates that within a certain period of time after the completion of the share floating reform, state shareholders could buy back shares from the market to strengthen their positions. Besides, it is also to guarantee the success of the strategic structure adjustment of the national economy.

Some believe that allowing controlling shareholders to buy stock from the market will help protect the real value of the companies' shares and maintain market stability.

### **Temporary Management Measures on Textile Export (Provisional)**

纺织品出口临时管理办法（暂行）

**【Issued by】** Ministry of Commerce

**【Subject】** Export

**【Promulgated on】** June 19, 2005

**【Effective from】** July 20, 2005

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

The Ministry of Commerce released the Measures on June 19, 2005 which are formulated in accordance with Foreign Trade Law of the People's Republic of China and Administrative Permission Law of the People's Republic of China for the purposes of stepping up the transformation of growth mode of textile export and steadying operation order of textile export in our country.

The Measures stress the importance of the "Formulation and Readjustment of Managed Commodity Catalogue" and specify that it is published by Ministry of Commerce, General Administration of Customs and General Administration of Quality Supervision, Inspection and Quarantine by announcement, and the published contents include corresponding classifications and tariff number of the products, countries or areas, period of

implementation and permitted total quantity.

In addition, according to the Measures, temporary permission management of textile export applies to following customs supervisions: common trade, barter, import materials of trade of processing and assembling customers materials and processing goods for export, compensation trade, processing of exported material (corresponding contract), processing of imported material (non-corresponding contract), bonded factory and other trades. The customs does not examine the license of the textile subject to "Managed Commodity Catalogue" that enters bonded areas, processing areas for export and other special areas and bonded places supervised by the customs from the areas outside above areas in the territory of China. When above goods are actually exited, the customs will go through the formalities of customs inspection by license for the goods exported to the countries or areas that need to implement temporary management of textile export in accordance with related regulations.

Article 15 of the Measures also provides that Temporary Textile Export License implements "one lot one license", "one customs one license", and is valid within Gregorian calendar year for the period of 6 months and become invalid if it is overdue. If the owner of Temporary Textile Export License does not export any commodities within valid period, he may have the license extended in original license issuing organ. The extension must not exceed three months. If it needs to extended or make any changes, a new license should be issued.

### **Administrative Regulation on Employment in Mainland China for Citizens from Taiwan, Hong Kong and Macao**

台湾香港澳门居民在内地就业管理规定

**【Issued By】** Ministry of Labour and Social Security

**【Subject】** Labour Law

**【Promulgated on】** June 14, 2005

**【Effective from】** October 1, 2005

**【Source】** <http://www.people.com.cn/>

**【Repeal】** Administrative Regulations on Employment in Mainland China for Citizens from Taiwan, Hong Kong and Macao (台湾和香港、澳门居民在内地就业管理规定) Issued as of February 21, 1994.

The Ministry of Labour and Social Security unveiled this new Regulation to encourage the employment of people from Taiwan, Hong Kong and Macao and ease their entry into the mainland. The issuance of this new Regulation came only two weeks after the mainland announced its formal decision to scrap import tariffs on 15 varieties of Taiwan-grown fruits and was aimed at helping Taiwanese people pursue employment on the mainland.

The newly-revised Regulation on Employment of Taiwan, Hong Kong, Macao Residents in the Mainland was published on June 14, 2005 and will come into effect on October 1. The Regulation simplifies employment procedures for Taiwan residents and ensures those who are hired by mainland employers can join the mainland social security system.

Under the Regulation, once their qualifications meet the requirements of mainland employers, Taiwan residents can enjoy the same employment rights as mainland residents. But Taiwan residents need to obtain employment permits and qualification certificates for corresponding jobs before seeking employment on the mainland.

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