



## CHINA LEGAL BRIEFING 126

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

#### Automobile Trade Regulations

汽车贸易政策

**【Issued By】** Ministry of Commerce

**【Subject】** Trade

**【Promulgated on】** August 10, 2005

**【Effective from】** August 10, 2005

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

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- TAX

The Ministry of Commerce released the long-awaited regulations governing the automobile trade on August 10, 2005 with a view to further encouraging overseas investors, who have advanced marketing and sales expertise as well as sound international sales networks, to invest in the nation's auto trading sector.

The Regulations urge both foreign and domestic automakers to establish a sound vehicle sales and after-sales service system by themselves or their authorized dealers as soon as possible to ensure customers' legal rights in the process of purchasing and using vehicles.

The Regulations also stipulate that any companies wanting to undertake vehicle sales activities in China must gain authorization from automakers. Besides, the Regulations ban overseas-built vehicles from being deposited into bonded areas of China's ports for the purpose of export to the domestic market, and the import of used vehicles and parts as well as right-hand drive cars is also prohibited by the Regulations.

According to the Regulations, the nation will also take anti-dumping-and-subsidy measures to safeguard the domestic auto industry. Furthermore, to boost China's vehicle and parts exports, the nation will foster some domestic exporting bases and encourage domestic automakers and dealers to set up sales and after-sales service networks abroad either independently or through co-operation with foreign partners.

### **Administrative Rules on the Pilot Money Brokers**

货币经纪公司试点管理办法

**【 Issued by 】** China Banking Regulatory Commission (CBRC)

**【 Subject 】** Money Brokering

**【 Promulgated on 】** August 8, 2005

**【 Effective from 】** September 1, 2005

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

Following the approval by the State Council, the CBRC promulgated on August 8, 2005 the Administrative Rules on the Pilot Money Brokers (hereinafter referred to as the Administrative Rules), which intends to promote the establishment of money brokering system in China.

The money brokers, serving as a kind of intermediaries in the financial market, conduct a wide range of businesses in money market, capital market and foreign exchange market. The introduction of money brokers is instrumental in enhancing the Chinese market's liquidity and transparency as well as improving the efficiency of capital utilization and allocation. The Administrative Rules incorporate both the international best practices and the Chinese practical experiences, and are the result of numerous researches and consultations.

The Administrative Rules comprise 65 articles in six chapters, covering the money brokers' functions, the qualifications of investors, the companies' incorporation, alteration and termination, their business scope and the penalties imposed on incompliance and rule-breaking behaviors, etc.

The competition among money brokers becomes increasingly fierce in the international market, which leads to increasingly high standards of the money brokers' experiences and creditability as well as the professional ethics of their staff. In a bid to ensure the safe and sound development of the money brokering business in China, the CBRC decided to first approve some pilot establishments and then open the market gradually. In the initial stage, the money brokers can be organized in the form of a Sino-foreign joint venture, co-funded by eligible domestic financial institutions and internationally renowned brokers, so as to learn from the international best practices.

To support the implementation of the Administrative Rules, the CBRC plans to issue the Rules for Implementing the Administrative Rules on the Pilot Money Brokers in the near future.

### **Announcement on Import Tariff Quotas Redistribution of Agricultural Products of 2005**

2005 年农产品进口关税配额再分配公告

**【Issued by】** Ministry of Commerce, National Development and Reform Commission

**【Subject】** Import

**【Promulgated on】** August 15, 2005

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

The Ministry of Finance and National Development and Reform Commission jointly released this Announcement on August 15, 2005 for the purpose of detailing related matters of import tariff quotas redistribution of agricultural products of 2005.

According to the Announcement, all end users of import tariff quotas of wheat, corn, paddy and rice, bean oil, rapeseed oil, palm oil, sugar and cotton, including those who had already signed contracts with all quotas as well as those who had signed contracts, but probably with shipping of commodities no sooner than the end of this year, are required to return back unfinished tariff quotas to the development and reform commissions and commercial affairs offices (foreign trade and economic cooperation offices) of the provinces (autonomous regions, municipalities or separately listed cities) before September 15, 2005 for redistribution of National Development and Reform Commission and Ministry of Commerce. For those who fail to return back un-fully-used quotas on time, National Development and Reform Commission and Ministry of Commerce will deduct their quotas of 2006 proportionally.

The Announcement also specifies that for all new users of import tariff quotas of commodities of 2005 in Clause No. 1 of this Announcement, in case they have already fully used all their quotas (copies of import declaration forms are required), match qualifications of Distributing Principles and Detailed Rules of Distribution, and did not apply for import tariff quotas of 2005 before beginning of the year, they may submit applications to the development and reform commissions and commercial affairs offices (foreign trade and economic cooperation offices) of the provinces (autonomous regions, municipalities or separately listed cities ) for redistribution of import tariff quotas of agricultural products.

Besides, the Announcement also states that the National Development and Reform Commission and development and reform commissions of provinces (autonomous regions, municipalities or separately listed cities) will organize the import tariff quotas redistribution of wheat, corn, paddy and rice and cotton; and Ministry of Commerce and commercial affairs offices (foreign trade and economic cooperation offices) of the provinces (autonomous regions, municipalities or separately listed cities) will organize the import tariff quotas redistribution of palm oil, bean oil, rapeseed oil, sugar.

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