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The Executive Opinions on Some Issues of Applying the Administrative Laws on Examination and Approval and Registration of Foreign Invested Companies

关于外商投资的公司审批登记管理法律适用若干问题的执行意见

Issued By State Administration for Industry and Commerce, the Ministry of Commerce, China Customs, and the State Administration of Foreign Exchange

Subject Examination and Approval, and Foreign Companies

Promulgated on April 24th 2006

Effective from April 24th 2006

Source www.saic.gov.cn

The Executive Opinions on Some Issues of Applying the Administrative Laws on Examination and Approval and Registration of Foreign Invested Companies (the “Executive Opinions”) were circulated by the State Administration for Industry and Commerce, the Ministry of Commerce, China Customs and the State Administration of Foreign Exchange jointly in order to implement the PRC Company Law, to maintain the continuity of incoming foreign investments and to reap efficiencies in examining, approving and registering the foreign invested companies.

The Executive Opinions reduce the access obstacles for foreign investment, simplify the examination and approval and registration procedures, cancel the limitations on domestic investment of incorporated foreign companies, cancel the check and registration procedures for establishing subsidiaries and cancel the registration limitation on representative offices of foreign companies. It also strengthens the supervision by the relevant Chinese authorities on foreign invested companies.

The Executive Opinions confirm and implement that the representative offices of foreign invested companies within China are allowed by Chinese law and are no longer required to be registered with administrative authorities of industry and commerce. This encourages foreign companies to establish their representative offices in China as they consider necessary. Worth of mention is that such representative offices are not allowed to conduct actual operation business on behalf of their home companies.

Furthermore, the quantity of solely foreign invested enterprises shall not be limited and they shall be in line with the provisions of the PRC Company Law. However, a single-person limited company invested by foreign natural person is not allowed to establish another single-person limited company.

The Administration Measures on Stock Issuance of Listed Companies

上市公司证券发行管理办法

Issued By **China Securities Regulatory Commission**

Subject **Stock Issuance**

Promulgated on **May 6th 2006**

Effective from **May 8th 2006**

Source www.csrc.gov.cn

The Administration Measures on Stock Issuance of Listed Companies (the “Measures”) are based on the newly amended PRC Company Law and the PRC Securities Law in order to implement the Opinions of the State Council on Promoting the Reform, Opening and Stable Development of Capital Markets issued by the State Council in 2004.

Essentially, a company that desires to issue new stocks should satisfy the conditions that it has been making profits during the last three years, that its management and core technicians are stable without any serious negative change within last twelve months and that there are no fake recordation and serious irregularities exist in the accounting documents of such company within the last thirty-six months.

A listed company is not entitled to issue stocks in public if any of the following situations occur: where fake recordation, misleading statements or serious omission exist in current application files; where the capitals raised from previous issuance was used for other purposes and no correction on such mistake has been conducted; where such listed company was publicly condemned by the stock exchange authority within the last twelve months; where the incumbent directors or senior management of such listed company are being investigated by the China Securities Regulatory Commission or jurisdictional authorities; where the public interests or the investors’ interests of such listed company has been seriously damaged and other similar situations.

The term of the issued convertible bonds should be one year minimum and six years maximum, and with a par value of one hundred RMB each. Guarantees are required for publicly issuing such convertible bonds except where the value of the audited company’s net assets at the end of last term is not less than 1.5 billion RMB.

Where issued in private, shares shall be only purchased by not more than ten purchasers, the qualifications of such purchases shall be listed by the decisions of the shareholders’ general meeting, and the overseas strategic investors should be approved by the relevant authorities of the State Council if they want to be involved in such purchase.

Administrative Guidelines Regarding Storage and Transportation of Vaccines

疫苗储存和运输管理规范

Issued by	Ministry of Health
Subject	Storage and Transportation of Vaccines
Promulgated	March 8th 2006
Effective from	March 8th 2006
Source	www.moh.gov.cn

The Administrative Guidelines Regarding Storage and Transportation of Vaccines (the “Guidelines”) are formulated based on the previous Regulation on the Administration of Circulation and Vaccination of Vaccines. The Guidelines essentially regulate the specific procedures and measures on storage and transportation of vaccines.

The disease prevention and control institutions and the production and transportation enterprises should record the temperature of the vaccines during such transportation and storage. And such records should contain the detailed information of producers, transporters, quantity, period of validity, departure and receiving time, and the correlative variation of temperature and other corresponding significant data.

The data on transportation facilities, time and temperature should be provided by producers and wholesalers while such vaccines are sold. The aforesaid data should also be provided while such vaccines are supplied and allocated by the disease prevention and control institutions.

The qualified vaccines should be kept within refrigerating facilities corresponding to the requirements on temperature and stored in line with their classification and batch number. Such vaccines in storage should be periodically checked and examined by producers and wholesalers.

The stored vaccines should be separated and eliminated from distribution where their quality is abnormal, and the administrative authorities should be informed in such a case.

The locations of necessary thermometers are stipulated by the Guidelines. For instance, the thermometers should be placed at the central, at the bottom, or close to the cover of normal refrigerating facilities or refrigerating room, and the temperature details should be recorded twice a day.

Wenger & Vieli, Beijing, May 15 2006

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