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## **New Dealing Rules for Shenzhen and Shanghai Stock Exchanges Promulgated**

新《深圳、上海证券交易所交易规则》出台

**Issued By**                **China Securities Regulatory Commission**  
**Subject**                 **Dealing Rules for Stock Exchanges**  
**Promulgated on**        **May 15<sup>th</sup> 2006**  
**Effective from**         **July 1<sup>st</sup> 2006**  
**Source**                  **[www.law-star.com](http://www.law-star.com)**

The newly revised Dealing Rules for Shanghai Stock Exchange and the Dealing Rules for Shenzhen Stock Exchange (jointly the “Dealing Rules”) have been promulgated on May 15<sup>th</sup> 2006 in order to better comply with the newly revised PRC Securities Law. Since the newly revised PRC Securities Law has cancelled the legal limitations on so-called spot transactions, the concentrative competitive transactions and the like, the scope, categories and manners of stock dealings have been expanded. Main issues such as block trade, carry trade, financing, primary dealer system, the supervisions on stock dealings and the pause on abnormal dealings have been accepted in order to encourage the development of the stock markets.

According to the new Dealing Rules, the primary dealer system shall be applied by the stock exchanges, and this is essentially the preparation for introducing the market-maker system. The stock exchanges may engage in the price control on appreciating or depreciating of stocks and funds dealings, and the ratio of such appreciating and depreciating shall be adjusted by the stock exchanges after being approved by the China Securities Regulatory Commission. Unless under the carry trade, the stocks bought by investors shall not be sold prior to the hand over of such stocks. An appropriate market microstructure is a significant way to increase the market efficiency and foster the market development.

Systems for information disclosure of public dealings, for pausing system on abnormal fluctuation of stock dealings, and for the supervision on abnormal dealings have been implemented. The system of block trade has been improved in the scopes of dealing price, dealing time, dealing manners and the like.

## **The Interim Measures for Guiding and Supervising the Supervision and Administration on Local State-owned Assets**

地方国有资产监管工作指导监督暂行办法

**Issued By**                **State-owned Assets Supervision and Administration Commission of the State Council**  
**Subject**                 **Local State-owned Assets**  
**Promulgated on**        **April 7<sup>th</sup> 2006**  
**Effective from**         **May 7<sup>th</sup> 2006**  
**Source**                  [www.sasac.gov.cn](http://www.sasac.gov.cn)

The Interim Measures for Guiding and Supervising the Supervision and Administration on Local State-owned Assets (the “Measures”) establish a two-level supervision system. On the one hand, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) supervises and instructs the local authorities on their supervision work on local supervision on the state-owned assets, in line with national laws and regulations. On the other hand, local senior authorities such as provincial-level may supervise and instruct the local junior authorities such as county-level on such supervision and administration of state-owned assets. Specific rules or measures on conducting such supervision and administration may be formulated according to the actual needs of a specific place.

Four supervision systems have been established by the Measures. Firstly, the reporting of the legal documents, the significant files on conducting the supervision and administration issued by provincial-level therefore should be reported to the SASAC. Secondly, the supervision of the implementation of national laws and regulations on protecting state-owned assets, the SASAC may undertake specific investigations and checks on local authorities’ supervision progress. Thirdly, the investigation of the reported cases which mainly concerning the loss of state-owned assets due to local state-owned enterprises’ misconducts or local authorities’ malfeasances. Fourthly, the reporting of serious matters where the local authorities are obliged to timely report to the SASAC the list of enterprises which active as investors, the statistical data of state-owned assets of local state-owned enterprises, the relative financial reports and other significant matters.

## **The Administrative Provisions on Pharmaceutical Specifications and Tags (Bureau Order Number 24)**

药品说明书和标签管理规定(局令第24号)

Issued by	<b>State Food and Drug Administration</b>
Subject	<b>Pharmaceutical Specifications and Tags</b>
Promulgated	<b>March 15<sup>th</sup> 2006</b>
Effective from	<b>June 1<sup>st</sup> 2006</b>
Source	<a href="http://www.sda.gov.cn">www.sda.gov.cn</a>

The Administrative Provisions on Pharmaceutical Specifications and Tags have been promulgated by the State Food and Drug Administration (SFDA) to secure the safety in using pharmaceuticals. Any specifications and the tags shall be checked and approved by the SFDA. The tags must be in line with the specifications, and no characters, letters, signs or marks which can lead to misunderstanding or inappropriate propaganda shall be printed on such specifications and tags. The specifications of the non-prescription pharmaceuticals should be written in simple descriptions which are easily understandable so that patients can choose, estimate and use such non-prescription pharmaceuticals. The specifications and tags should be written in standardized Chinese characters. The Chinese version shall prevail where the specifications and tags are also written in other languages other than Chinese.

The specific formats, the contents that should be included and the requirements on printing of specifications and tags must follow the provisions of the SFDA. The terminologies and metrological units used in such specifications and tags should be in line with the national unified standards. All main integrants and relative side-effects should be clearly explained in the specifications and tags. The details should be updated in line with the actual safety and effectiveness of the pharmaceuticals. The tags could be classified as the inner tag and outer tags. The inner tag refers to the tag which is closely attached to the pharmaceuticals. Other tags such as the tag attached on the package are outer tags. All tags should have the exactly same contents.

The content, format and color of the specifications and tags of pharmaceutical produced by the enterprise shall be the same where the packaging standards are same. Moreover where pharmaceutical produced by the same enterprise is administrated as the prescription pharmaceutical and the non-prescription pharmaceutical, the colors of the tags shall be clearly different. The designations of the pharmaceuticals shall be clear and notable, and shall not be decorated with italics or shadows or the like. The font color of such designations must be strongly contrasted to the background colors. The tags and specifications of traditional Chinese medicines shall be regulated by the SFDA separately.

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