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1 Circular of the State Administration of Taxation Regarding Strengthening the Administration on Projects Contracting with Foreign Enterprises (No. 83 [2006])

2 The Administrative Measures of Land Reserve of Shenzhen Municipality (Order No. 153 of the People's Government of Shenzhen Municipality)

3 The Executive Opinions Regarding Developing Special Governance on Commercial Bribes

Circular of the State Administration of Taxation Regarding Strengthening the Administration on Projects Contracting with Foreign Enterprises (No. 83 [2006])

国家税务总局关于加强外国企业承包工程税务管理的通知(国税发[2006]83号)

Issued By **State Administration of Taxation**
Subject **Tax**
Promulgated on **June 8th 2006**
Effective from **June 8th 2006**
Source **www.chinatax.gov.cn**

The Circular of the State Administration of Taxation regarding the Strengthening of the Administration on Projects Contracting with Foreign Enterprises (No. 83 [2006]) (the “Circular”) has been promulgated by the State Administration of Taxation (the “SAT”) for the sake of strengthening the collection of taxes against the instability of tax-levying on foreign enterprises, especially on foreign construction enterprises. Corresponding measures and requirements have been proposed to remedy the outstanding problems such as tax evasion.

Tax levying and administration shall be further strengthened especially against the projects contracting with foreign enterprises. Related responsibilities shall be intensified and leaks of administration shall be prevented. More and more foreign enterprises are coming to China and are participating important projects including the pivot projects of the Olympic Games. Some construction projects of transportation and energy industries are also participated by foreign enterprises. Therefore, the SAT requests its local branches to collect related information about the tax resources based on their own practice. All state and local tax authorities shall work together and cooperate with other competent authorities of construction, customs, administration of industry and commerce and financial institutions to improve internal procedures and administration and to clarify divisions of responsibilities. The responsibility for withholding the taxes shall be intensified, too.

All kinds of means of information shall be employed to get the taxpayers and the withholding parties informed of the taxation policies on foreign enterprises. Where the state incurs into serious forfeiture of tax revenues due to the tax staff members’ neglect of their duties, such tax staff members shall be punished according to related laws and regulations such as the Law of the People’s Republic of China for the Administration of Tax Collection. The Circular also requests that all problems and difficulties found by local

branches during levying the taxes shall be reported to the SAT before the end of November 2006.

The Administrative Measures of Land Reserve of Shenzhen Municipality (Order No. 153 of the People's Government of Shenzhen Municipality)

深圳市土地储备管理办法(深圳市人民政府令第153号)

Issued By **People's Government of Shenzhen Municipality**
Subject **Land Reserve**
Promulgated on **June 5th 2006**
Effective from **August 1st 2006**
Source <http://fzj.sz.gov.cn>

The Administrative Measures of Land Reserve of Shenzhen Municipality (Order No. 153 of the People's Government of Shenzhen Municipality) (the "Measures") have been promulgated in order to regulate the administration of land resources in Shenzhen. The term of "land reserve" used means that the land reserve authorities reserve the land which was acquired through replacement, purchase, collection, withdrawal and the similar methods, and manage and supply the land in line with annual plans of land supply.

The land reserve shall include the land acquired through purchase and replacement by the Government, and the land confiscated by the Government according to laws, the land come into being via digging mountains or sea-filling and other lands that considered necessary to be reserved. The land that has already been allocated for agricultural use or for building urban and suburb parks, reservoir, fountain protection zone, river way and sea wall is not included in such land reserve.

As for the management of the land reserve, the information of acreage, location, purpose, origin and the on-ground attachments of the reserved land shall be investigated and related accounts shall be established for such reserved land. The information system of administration of land reserve shall be also established within the scope of the whole municipality. The fund of land reserve mainly comes from the income of temporary land using of the reserved land, the income from the operation process of the reserved land, from bank loans or loans from other financial means or from special funds for the land reserve from the Government. Where serious negative consequences occur due to staff member's failure or neglect of duties, related laws and regulations shall be employed for punishing such violations.

The Executive Opinions Regarding Developing Special Governance on Commercial Bribes

关于开展治理商业贿赂专项工作的实施意见

Issued by State Food and Drug Administration
Subject Commercial Bribes
Promulgated May 24th 2006
Effective from May 24th 2006
Source www.law-star.com

The Executive Opinions regarding developing Special Governance on Commercial Bribes (the “Opinions”) have been promulgated by the State Food and Drug Administration (the “SFDA”) to regulate the business operation and prevention of the leaks in the administration and supervision of pharmaceutical and medical industry, and to develop the special governance on commercial bribes.

The main types of commercial bribes envisioned by the Opinions are the following: Kickbacks or commissions paid by the marketing and distributing staff of pharmaceuticals and medical appliances to medical institutions and their medical personnel; commercial opportunities and profits obtained by unfair means undertaken by distribution enterprises and their staff members of pharmaceutical and medical appliances in the processes of wholesale, retailing, advertising, bidding and the similar circumstances; qualifications and certifications obtained through unfair means in the processes of main supervision of examining and approving, testing and inspecting, and certificate issuing; commercial opportunities and profits obtained through making false reports of producing costs and expenses or similar unfair means; unreasonable interests obtained by the supervisory personnel through interfering in R&D, production and distribution of pharmaceutical enterprises; and acceptance of cash or other securities by the supervisory personnel while exercising the tasks of supervision.

The working schedule is as the following: Firstly, during the phase of mobilization and deployment (April to June 2006), detailed working procedures and plans shall be formulated. Secondly, in the phase of investigation (July to September 2006), specific problems shall be investigated by local branches of the administration of food and drug. The main findings shall be reported to the SFDA prior to September 2006. Thirdly, throughout the phase of analyzing and correcting the problems (October to December 2006), the specific problems shall be reported to the SFDA prior to the end of year. Finally (January to February 2007), general improvements shall be realized, and an effective working mechanism against commercial bribes shall be established.

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