



CHINA LEGAL BRIEFING* 158

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Guidelines on Due Diligence of Commercial Banks' Lending to Small Enterprises (Tentative)

商业银行小企业授信工作尽职指引（试行）

Issued By	China Banking Regulatory Commission (CBRC)
Subject	Commercial Banks' Lending to Small Enterprises
Promulgated on	October 25th 2006
Effective From	October 25th 2006
Source	www.cbrc.gov.cn

The Guidelines on Due Diligence of Commercial Banks' Lending to Small Enterprises (Tentative) (the "Guidelines") have been promulgated by China Banking Regulatory Commission (the "CBRC") in order to help commercial banks improve their credit authorization mechanisms for small enterprises, define clear due diligence requirements, standardize the administration on such credit authorization, and sustain their business development of lending to small enterprises.

The Guidelines consists of forty-eight articles in seven chapters, namely, General Provisions, Due Diligence Requirements on Credit Investigation, Due Diligence Requirements on Credit Review, Due Diligence Requirements on Credit Authorization, Due Diligence Requirements on Post-credit Management, Evaluation Requirements, and Supplementary Provisions. The Guidelines also provides an appendix, listing almost one hundred risk alerts, in order to enumerate major potential risks in commercial banks' credit extension.

The Guidelines shall apply to the lending activities to small enterprises and self-employed individuals by commercial banks incorporated in the People's Republic of China. Other financial institutions, also in line with the Guidelines, may refer to it in their business activities. Commercial banks shall enact separate detailed rules for implementation of the Guidelines.

Commercial banks, according to the Guidelines, shall enact credit policies for small enterprises and shall also enact relevant decision-making mechanism, administrative information system and business operation procedures. The credit policies for small enterprises shall be in accordance with the characters, such as in business operation and risk control, of small enterprises.

The Guidelines also provides a set of minimum due diligence requirements on bank employees involved in credit investigation, credit review, credit authorization and post-credit management. It also supports that the credit policies for small enterprises shall be

different from lending to large enterprises. Better financial services are expected by the Guidelines to be offered by commercial banks to small enterprises.

Provisions on the Administration of Import and Export of Precursor Chemicals (MOFCOM Decree [2006] No. 7)

易制毒化学品管理条例 (商务部令[2006]第7号)

Issued By **Ministry of Commerce (MOFCOM)**
Subject **Import/Export of Precursor Chemicals**
Promulgated on **September 21st 2006**
Effective From **October 21st 2006**
Source **www.mofcom.gov.cn**

The Provisions on the Administration of Import and Export of Precursor Chemicals (MOFCOM Decree [2006] No. 7) (the “Provisions”) have been enacted with the purpose of strengthening the administration of import and export of precursor chemicals and preventing them from getting in the illegal drug making channel.

The “precursor chemicals” herein refer to main raw materials and chemicals that could be used for drug making listed in the appendix of the Regulations on the Administration of Precursor Chemicals. The catalogue is available in the appendix of these Provisions. A license control management system shall be implemented over the import and export of precursor chemicals, said by the Provisions. And a license is required to import or export precursor chemicals in any form. A license for the import/export of precursor chemicals is required where such precursor chemicals are imported or exported through foreign communication, exchange, cooperation, transference, assistance, service, and so on.

A “Foreign Funded Enterprises Application Form for Importing/Exporting Precursor Chemicals” shall be filled out accurately and fully via relevant administrative networks where a foreign funded enterprise applies for importing and exporting of precursor chemicals. The relevant electronic data shall also be submitted at the same time.

The following documents shall be submitted by the foreign funded enterprises to MOFCOM’s provincial bureaus after receiving the notice to submit written materials:

1. the original of the "Foreign Funded Enterprises Application Form for Importing/Exporting Precursor Chemicals" signed by the dealer and stamped with the seal of the enterprise;

2. the Authorized Certificate (duplicate) marked with United Annual Inspection Passed;
3. the duplicate of the Business License;
4. the provincial bureau's approval document of such enterprise's establishment, and the contract of joint venture or Charter, and capital examination report;
5. License of Precursor Chemicals production, operation, and evidences of purchase or registration;
6. the duplicate of Import or Export Contract/Agreement; and
7. the duplicate of ID certificate of the person who acts on behalf of such foreign funded enterprise.

Where the Provisions are violated and any of the following situation occurs, the MOFCOM may warn, order to correct in limited time, and sentence a fine of RMB 10,000 to RMB 50,000:

1. Dealer fails to build a sound internal management system according to these Provisions;
2. to lend its import and export license to others;
3. not to report in time when precursor chemicals are lost, stolen, and robbed during the import and export and results to serious consequences.

Interim Measures on Enquiring the Registration Information of House Ownership

房屋权属登记信息查询暂行办法

Issued By	Interim Measures on Enquiring the Registration Information of House Ownership
Subject	Enquiry of Registration Information of House
Promulgated on	October 8th 2006
Effective From	January 1st 2007
Source	www.cin.gov.cn

The Interim Measures on Enquiring the Registration Information of House Ownership (the “Measures”) are enacted to protect the safety of house trading, maintain the trading order, and protect the lawful benefits of house owners and relevant parties concerned.

The Measures are applicable to enquire the information of house ownership of the houses registered with the registration authorities. The “information of house ownership” herein including the original registration certificates and the recordation regarding the rights and ownership of the house recorded by the registration authorities.

The information refers to location, area, purpose, ownership, guarantee, and encumbrance and other relevant information of the registered house. Both Units and individuals are allowed to enquire the information. While implementing such information enquiry, the Units and individuals shall show their certificates of their identities. Further documents are required in line with the different purposes of enquiring such house ownership information. The enquirer is not allowed to disclose the information where concerning national security, privacy or commercial secrets to any third parties.

The registration authorities are responsible for the completeness, truthfulness and safety of the registered information. The enquiry scope could be classified into 6 main categories, and the main enquiry items are rights; succession; litigation; arbitration; notarization; legalization and national and public security related.

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