

# China Legal Briefing\*277

27 November 2019



\* CHINA LEGAL BRIEFING is a regularly issued collection of Chinese law related news gathered from various media and news services, edited by WENFEI ATTORNEYS-AT-LAW LTD., distributed to its clients and CHINA LEGAL BRIEFING subscribers.

WENFEI ATTORNEYS-AT-LAW LTD. does not accept responsibility for the accuracy of quotes or truthfulness of its content. CHINA LEGAL BRIEFING is not intended to provide advice.

- I New Regulations For Foreign Investments In The Insurance And Banking Sector**
- II China Will Introduce 20 New Measures to Stabilize Foreign Investment**
- III State Council Published Regulations on the Optimization of Business Environment**
- IV Administrative Measures For The Identity Authentication for Exit and Entry Certificates**

## **I. New Regulations For Foreign Investments In The Insurance And Banking Sector**

On October 15, 2019, The State Council of People' s Republic of China published the *Decision to Amend the Regulation on Administration of Foreign-Funded Insurance Companies and the Regulation on the Administration of Foreign-funded Banks* (Decision).

The Decision provides for a lower threshold for establishing a foreign-invested insurance company. The following two requirements have been abolished: "*the foreign insurance companies must have more than 30 years of insurance business experience*" and "*a representative institution has been established In China for more than 2 years*".

Regarding the *Regulation on the Administration of Foreign-Funded Banks*, the Decision stipulates four primary revisions, including eased conditions for shareholders of foreign-funded banks, relaxed restrictions for foreign banks to establish corporate banks and branches, eased restrictions for the foreign banking business and adjusted regulatory requirements for foreign bank branches.

## **II. China Will Introduce 20 New Measures To Stabilize Foreign Investment**

The State Council released the *Opinions on Further Improving the Utilization of Foreign Investment* (Opinion) on November 7, 2019. The Opinion puts forward 20 policy measures providing for (1) a deeper market opening for foreign investments, (2) promotion of investments, (3) a simplification of investments and (4) protection of the rights and interests of foreign investors.

The Opinion stipulates a further shortening of the so-called *Negative List*. The latter list names restricted access areas for foreign investments in China and in its Free Trade Areas. In the course of the liberalization of the Chinese market, many measures, such as the here mentioned cleaning-up of the negative list are taken. However, the reverse side of the liberalization medal shows a different picture: New, comprehensive control instruments, such as the Corporate Social Credit

System (C-SCS), will increase regulatory density, ratings, state surveillance and thus, compliance efforts of companies.

### **III. State Council Published Regulation on the Optimization of Business Environment**

On October 8, 2019, the Premier of the State Council, Li Keqiang, executed the *Regulation on Optimizing Business Environment* (Regulation), which was adopted at the 66th executive meeting of the State Council on the same day. It was stated, such Regulation follows in response to the downward pressure on China's economy and intent for market vitality. The Regulation provides for an *integrated online government service platform* (also called “Yiwangtongban”) on a nationwide scale. Applicants, such as domestic and foreign invested companies, can register, cancel and submit information online. On the other side, government bodies have access to the information shared by applicants.

However, after the implementation of the Corporate Social Credit System (C-SCS) in the year 2020, authorities will implement trans-departmental and trans-regional joint-sanctions on companies. It is likely, that such integrated platform, instead of vitalizing the market, also serves the purpose to simplify information-sharing between different authorities and so, strict control.

### **IV. Administrative Measures For The Identity Authentication For Exit And Entry Certificates**

On September 11, 2019, the National Immigration Administration released *the Measures for the Administration of Identity Certification on Entry & Exit Certificate* (Measures).

According to the above-mentioned Measures, the three methods for the identity authentication for exit and entry certificates are as follows:

(1) real-name authentication, i.e. checking the name, certificate number, date of birth and other information of the exit and entry certificate holder; (2) real-person authentication, i.e. checking the biological information of the exit and entry certificate holder; (3) reading of the electronic information of the certificates.

\*\*\*\*\*

© Wenfei, Beijing, November 2019

Check the China Legal Briefing archives on: <http://www.wenfei.com/publications.html>

Obtain your personal subscription from: china@wenfei.com