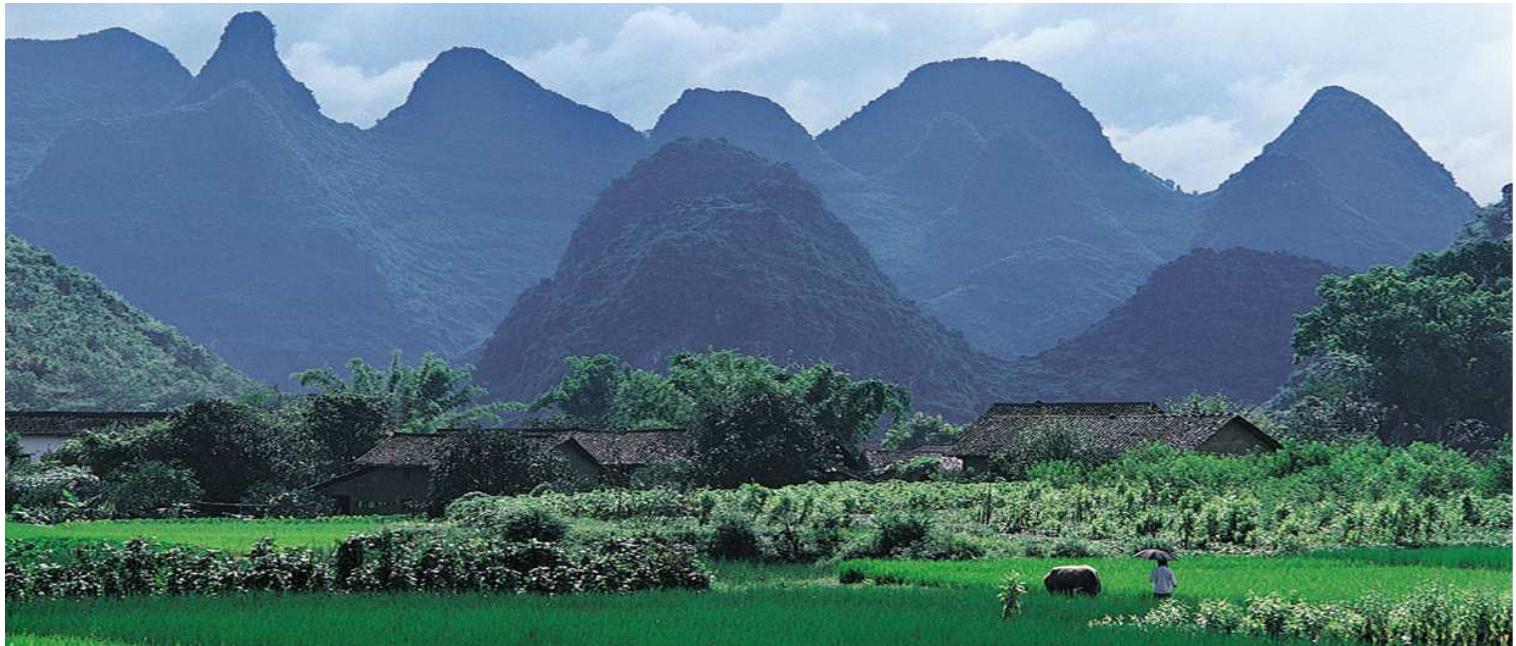


CHINA LEGAL BRIEFING* 185

MAY 19 - 24, 2008



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The Measures for Administration of Stock Rights of Insurance Companies (Draft for Examination)

保险公司股权管理办法（送审稿）

Issued By	The China Insurance Regulatory Commission
Subject	Stock Rights of Insurance Companies
Promulgated on	March 28th 2008
Effective from	not available
Source	www.circ.gov.cn

The new Measures for Administration of Stock Rights of Insurance Companies (Draft for Examination) (hereinafter “2008 Draft”) was released by the China Insurance Regulatory Commission (hereinafter “CIRC”) on March 28, 2008, soliciting comments from the general public for the second time.

In case the “2008 Draft” comes into effect, a foreign financial institution shall not be allowed to hold shares in a Chinese invested insurance Companies (hereinafter “CIIC”) on behalf of other insurance institutions or individuals of the same kind. The Interim Measures for Investment in Insurance Companies (released 1999) and the Circular Concerning Related Issues about Regulating the Absorption of Foreign Investment by Chinese Invested Insurance Company (promulgated in 2001) (hereinafter jointly “Existing Rules”) will be not applicable.

According to the new 2008 Draft, overseas financial institutions invest in CIIC must follow the principle of long-term shareholding, optimal control, and business cooperation. They shall ensure that they have overall assets of not less than US\$ 2 billion at the end of the previous year, shall have earned profit in the latest three consecutive years and its long-term credit shall be rated A by international credit rating organization. A minimum percentage of the net assets in relation to the total assets is cancelled in the 2008 Draft.

Complied with the new 2008 Draft, a foreign financial institution may hold up to 25% (not inclusive) capital shares in a CIIC upon approval by CIRC, while a foreign investor was not to be allowed to hold more than 5% capital shares in a CIIC in accordance with the Existing Rules. But as for an individual shareholder (or its associated companies), the 20% of capital shares in the same CIIC shall not be exceed.

A wholly foreign owned enterprise (hereinafter “WFOE”) investing in a CIIC will be regarded as a domestic investor subject to the 2008 Draft.

Compared with the 2008 Draft, foreign shareholders of CIIC were prohibited from transferring their shares within a 3-year holding period. Such limitation was removed in the new Draft and therefore general limitation as provided for in the Company Law of China shall be followed.

Regulations for the Administration of Overseas Investments of Domestic Institutions

境内机构对外投资管理规定

Issued By	Administration of Foreign Exchange
Subject	Overseas Investments of Domestic Institutions
Promulgated on	April 27th 2008
Effective From	not available
Source	www.chinalawexpress.com

China will issue new Regulations for the Administration of Overseas Investments of Domestic Institutions (hereinafter "the new Regulation") in order to build up a standardized and systematic legal system in keeping with the present conditions of development, said Shun Lujun, vice-director of the Capital Project Department of the State Administration of Foreign Exchange (hereinafter "SAFE") on the sixth annual meeting of China's import and export enterprises on April 27. The new Regulation is widely expected to relieve the difficulties faced by enterprises in financing their overseas investments.

The new Regulation will be drafted on the basis of the trial operation of reform of foreign exchange control on overseas investment.

SAFE will further strengthen its cooperation with China's Ministry of Commerce and National Development and Reform Commission to carry out a strategy of "going out" to promote the sustainable and healthy development of overseas investments by domestic enterprises.

Enterprises shall put the risk of exchange rate into export price, and make flexible use of instrument for avoiding exchange rate risk, such as forward forward forex trading and currency swap between RMB, Chinese currency, and forex.

Relevant financial support policies will also come out to help solve fund shortage of Chinese enterprises overseas.

Guidance Opinion on Transfer of Stock Shares with Terminated Sales Limit of Listed Companies

上市公司解除限售存量股份转让指导意见

Issued By	China Securities Regulatory Commission
Subject	Securities
Promulgated on	April 20th 2008
Effective from	April 20th 2008
Source	www.fdi.com.cn

In its newly issued Guidance Opinion on Transfer of Stock Shares with Terminated Sales Limit of Listed Companies (hereinafter “Guidance Opinion”), the CSRC is to regulate the centralized sales of stock shares with terminated sales limit that exceeds a certain amount by shareholders of listed companies.

“Stock Shares” stated in the Guidance Opinion refer to the shares with sales limit of main-board-listed companies on the Shanghai Stock Exchange (hereinafter “SSE”) and the Shenzhen Stock Exchange (hereinafter “SZSE”) that have completed the equity division reform, as well as the shares issued by SSE-SZSE main-board-listed companies before their initial public offerings (hereinafter “IPO”) after the “complete separation of new shares from the old ones” (Article 1).

The promulgation of the Guidance Opinion, which helps to solve the market efficiency problem concerning the large-scale one-off centralized shares sale on the secondary market by shareholders of listed companies after the all-floating era will avoid the price distortion caused by the sale through institutional regulation and arrangement. From now on, the block transfer of non-stock shares can also be conducted on the block trading system to improve market efficiency. In the short run, after the promulgation of the Guidance Opinion, the block transfer of stock shares with terminated sales limit, to be conducted on the block trading systems, is expected to ease the pressure on the secondary market and the impact on the price discovery mechanism of the call auction trading system, and to stabilize investors' anticipation for shareholding lessening of stock shares.

Details of the Guidance Opinions are as follows:

1. Defining the business accepting scope of the block trading system. Shareholders, who possess stock shares with terminated sales limit and plan to sell publicly in the succeeding month stock shares that exceed 1% of their total issued shares, should transfer their shares through the block trading systems of stock exchanges.

2. The transfer of stock shares with terminated sales limit through the block trading systems of stock exchanges should abide by relevant regulations of the stock exchanges and securities depository and clearing corporations.
3. Controlling shareholders of listed companies should not transfer their stock shares with terminated sales limit within 30 days before the announcement of listed companies' annual reports and semi-annual reports.
4. If the shares transferor is no longer the controlling shareholder of the listed companies after the transfer of stock shares with terminated sales limit, the shares transferor and transferee should abide by relevant regulations concerning the acquisition of listed companies.
5. For shareholding lessening, shareholders holding or controlling over 5% shares of listed companies and their concerted actors should perform their information disclosure duties accurately and timely according to the regulations of stock exchanges.

According to the Guidance Opinion, the stock exchanges will publish corresponding detailed rules to further regulate the transfer provisions on the block trading systems and work out system arrangements, including the size expansion of investors who participate in the block trading systems and the public offering of stock shares via securities companies, and provide a high efficiency transfer platform for shares with the listing and floating right.

© Wenfei, Beijing, 24 May 2008

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