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New Policy of Accounting [2 October, 2008 Issues 22]

On 15 February 2006, China issued the new Accounting Standards for Business Enterprises ("ASBEs"). The new ASBEs consist of a Basic Standard and 38 Specific Standards. The standard, which has become mandatory for listed Chinese enterprises from 1 January 2007, Other Chinese enterprises are also encouraged to apply the PRC GAAP. In the year of 2008, the Ministry of Finance of the People's Republic of China (the "MoF") will require all the state-owned enterprises to adopt the new ASBEs, and in the year of 2009, the scope for adoption and implementation will continue to expand. In its plan, the MoF will extend the reach of the new ASBEs to all the medium-and-large-sized Chinese enterprises within the next three years.

MOFCOM

1. Notification of the Ministry of Commerce about working for the record of foreign investment in real estate

Date of Issue: June 18th, 2008

Date of Effective: July 1st, 2008

Document No.: 商资函2008[23]号

Description: Defining the responsibility of Provincial MOFCOM and National MOFCOM regarding checking the information of the Real Estate Company, and specifying the requirements for the Real Estate Industry.

2. Goods export license management

Date of Issue: June 7th, 2008

Date of Effective: July 1st, 2008

Document No.: 商务部令2008年第11号

Description: The starting issue date of the Permit for next year is modified to Dec 10th, the effective date counts from Jan 1st with an effective period of no longer than 6 months and expire date of no later than Dec 31st that year.

3. Guidance of the Ministry of Commerce and Export-Import Bank of China on the development of Financial support of service providing enterprises

Date of Issue: May 7th, 2008

Date of Effective: May 7th, 2008

Document No.: 商资发〔2008〕169号

Description: To provide stronger support to the Service Providing Enterprises in financing and bank crediting.

SAFE



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TAX



"Zeng Zhi Shui"
(Value Added Tax)



"Ying Ye Shui"
(Business Tax)

1.Regulations of People's Republic of China on Foreign Exchange Management

Date of Issue: Aug 5th, 2008

Date of Effective: Aug 5th, 2008

Document No.: 中华人民共和国国务院令 第532号

Description: The new Foreign Exchange Regulation allows overseas foreign deposit for domestic institutions and individuals, encourages direct investment out of China and strengthens the supervision of international money flows.

2.Notification by State Administration of Foreign Exchange on the issue of implementation of enterprise trade in goods under foreign registration management

Date of Issue: July 2nd, 2008

Date of Effective: July 14th, 2008

Document No.: 汇发[2008]30号

Description: Registration requirements for foreign debt under goods trading items starting from July 14th, 2008.

3.Notification by State Administration of Foreign Exchange and State Administration of Taxation on the issue of trying out record of foreign trade in services external payment

Date of Issue: Feb 26th, 2008

Date of Effective: April 1st, 2008

Document No.: 汇发[2008]8号

Description: From April 1st, 2008, overseas service contracts should be recorded in Tax Bureau before payment in 6 pilot areas, which are Tianjin, Shanghai, Jiangsu, Sichuan, Fujian and Hunan. Local enterprises in the pilot areas should make recordings with the Tax Bureaus when they make overseas payment for the service trading over USD 50,000.

The Ministry of Science and Technology

1.Management on high-tech enterprises cognizance

Date of Issue: April 14th, 2008

Date of Effective: Jan 1st, 2008

Document No.: 国科发火(2008)172号

Description: To specify the new regulations on applying for the status of "High-tech enterprises" and documents required.

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