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### NEWS

#### Announcement of the General Administration of Customs (2013) No. 18

Announcement of the General Administration of Customs [2013] No. 18

Effective as of 2<sup>nd</sup> APR 2013

#### TARIFF EXEMPTION

As from May 1, 2013, domestically funded projects in the category encouraged by the State of the Catalogue for the Guidance on Adjustment of Industrial Structure (Version 2011) (Revision), the import of equipment for self-use in the investment total amount, apart from merchandise listed in the Catalogue of Import Commodities without Exemption of Tax for Domestic Investment Projects and Catalogue of Key Technological Equipment and Products Not Exempted from Import Tariff, shall be levied import value-added tax in accordance to the Circular of the State Council on Adjusting the Tax Policy of Imported Equipments (Guo Fa [1997] No. 37), Announcement of the General Administration of Customs [2008] No. 103 and other relevant regulations on tariff exemption.

#### POLICY CONTINUITY

In order to maintain policy continuity, domestically funded projects (the date of project examination, approval or filing shall prevail, similarly hereinafter) examined, approved or filed before May 1, 2013 (not in-

cluding May 1, similarly hereinafter) and belong to the category encouraged by the State of the Catalogue for the Guidance on Adjust-



CHINA CUSTOMS



ment of Industrial Structure (Version 2011) (Revision) may continue to handle import tariff exemption procedures in accordance with relevant regulations; However, relevant project entities shall apply for tax reduction and exemption filing procedure from the customs with a Project Confirmation Letter (the original "project industry policy approval entry" and code shall be written) issued by the investment competent authority before May 1, 2014. The customs shall cease to accept the above tax reduction and exemption filing application if overdue.

Domestically funded projects that belong to the category encouraged by the State of the Catalogue for the Guidance on Adjustment of Industrial Structure (Version 2011) (Revision) and are examined, approved or filed before May 1, 2013 and when their investment competent authority issue a Project Confirmation Letter (with a "project industry policy approval entry" code

of "N") following the Catalogue for the Guidance on Adjustment of Industrial Structure (Version 2011) (Revision) industry policy entry, the customs may accept tax reduction and exemption filing procedure application.

#### PROJECTS NOT LISTED IN THE CATALOGUE

Any project that is qualified to be in the Catalogue for the Guidance on Adjustment of Industrial Structure (Version 2011) (Revision) category encouraged by the State of establishing domestically funded projects that are not listed in the Catalogue for the Guidance on Adjustment of Industrial Structure (Version 2011) (Revision), may apply for a Project Confirmation Letter from their investment competent authority following regulations. After obtaining a Project Confirmation Letter, establishing project equipment imported for self-use and technology, component parts and spare parts that are imported with the equipment according to the contract may enjoy import tax preferential policy provided in Article 1 of this Announcement but tax is nonrefundable when import equipment have already been taxed.



# **Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases of Theft**

Fa Shi [2013] No. 8

Effective as of 4<sup>th</sup> APR 2013

## **DETERMINATION**

Whoever steals public or private properties of a value of between CNY1,000 and CNY3,000 or more, CNY30,000 and CNY100,000 or more, and CNY300,000 and CNY500,000 or more shall be respectively determined as having stolen properties of a "relatively large amount", "large amount" and "extremely large amount" as prescribed in Article 264 of the Criminal Law.

The high people's courts and the people's procuratorates of all provinces, autonomous regions and municipalities directly under the Central Government may, in light of the local economic development status and the social security status and to the extent of amounts prescribed in the preceding paragraph, determine the specific amount of value applicable to their respective areas and report the same to the Supreme People's Court and the Supreme People's Procuratorate for approval. Where theft happens on a public transportation vehicle that run between different areas and the place of theft is unable to be ascertained, whether the amount of theft reaches the "relatively large amount", "large amount" or "extremely large amount" shall be judged according to the stan-

dards determined by the high people's courts and the people's procuratorates of the province, autonomous region and municipality directly under the Central Government of the place where the case is accepted. Whoever steals drugs or other prohibited substances and should be handled as having committing a crime of theft shall be sentenced in light of the circumstance.

## **RELATIVELY LARGE AMOUNT**

In the event whoever steals public or private property and is under any of the following circumstances, the criteria of "relatively large amount" can be determined as 50% of the amount specified in the previous article:

1. Who was subject to criminal punishment due to theft;
2. Who has been subject to administrative penalty due to theft in the recent one year;
3. Who organizes and controls minors to conduct theft;
4. Who steals at the place of a natural disaster, accident, social security event during the outbreak;
5. Who steals the property of a disabled, isolated, widowed or elder-aged person or of a person who loses his working ability;
6. Who steals the property of a patient or his friends or relatives at a hospital;
7. Who steals the money or articles used for disaster relief, emergency response, flood prevention, special care, poverty alleviation, immigration or other relieves; or
8. Who causes serious consequences due to his theft.

# **Circular of the China Insurance Regulatory Commission on Issues Concerning the Regulation of the Investment of Limited Partnership Equity Investment Enterprises in Insurance Companies**

Boa Jian Fa [2013] No. 36

Effective as of 17<sup>th</sup> APR 2013

## **LIMITED PARTNERSHIP EQUITY INVESTMENT ENTERPRISE**

If a limited partnership equity investment enterprise intends to invest in an insurance company, the following requirements shall be met:

1. The invested insurance company has a controlling shareholder or actual controller, and has a reasonable ownership structure and good and sound corporate governance;
2. The enterprise discloses the source of funds and the background of its partners, including the title or name, nationality, business scope or profession, amount of capital contribution, etc.;
3. General partner who is responsible for executing general affairs of the limited partnership enterprise shall have good credibility and tax payment records, without any record of serious violation of laws or regulations, and undertake not to violate the relevant provisions on anti-money laundering and to bear relevant liability for the investment of the equity investment enterprise in the insurance company;
4. In a single insurance company, the contribution or shareholding proportion of a single limited partnership equity investment enterprise shall not exceed 5 percent, and 15 percent in total;
5. The limited partnership equity investment enterprise may not become the first major shareholder, controlling shareholder or actual controller of the insurance company, and may not participate in the operation and management of the insurance company;

6. If there is a duration of the limited partnership equity investment enterprise, it shall transfer the equity, held by it, of the insurance company before the expiry of the duration; and
7. Other requirements by the China Insurance Regulatory Commission ("CIRC").

## **MATERIALS**

A limited partnership equity investment enterprise shall, to invest in an insurance company, shall file a written application with the CIRC and submit the following materials:

1. Basic information, including the photocopy of its business license, business scope, organizational structure, industry position, source of funds, external investments, its or its affiliates' investment in the insurance company and other financial institutions;
2. The financial accounting report for the previous year audited by an accounting firm;
3. The tax payment certificate for the past three years and a credit record issued by a credit reporting agency;
4. The statements of the affiliated relationship between the partners or the partnership enterprise with other investors of the insurance company, or the no-affiliated-relationship statements in the absence of such related relationship;
5. The equity subscription or transfer agreement and the supporting materials in the approval of the investment by the partnership enterprise;
6. The statement that it has not committed any serious violation of laws or regulations for the past three years; and
7. Other materials required by the CIRC.

