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*International Trade Team*

Vol. 2017. 1

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**Trade**

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**Key Words :**

- Final Ruling on the Antidumping Measures
- Taxation Agreement
- New Standards for Audit Reports
- Regulation over Compliance of Insurance Companies

**Import Tax Incentives Finalized for Technical Innovations during 13th “Five-Year Plan” Period**

Recently, the Ministry of Finance, General Administration of Customs and the State Administration of Taxation issued Notice, in which import tax incentives were set out for technology innovations during the 13th "Five-year Plan" period (2016-2020). According to the Notice, import tax and import value-added tax and consumption tax will be exempted for supplies used for scientific research, technology development or teaching activities, which are unavailable in China or relevant Chinese products cannot meet the performance requirements, imported by scientific research institutes, technology development institutions and schools.

**MOFCOM Issued the Final Ruling on the Antidumping Measures Applicable to Imported Non-dispersive Single-mode Optical Fibers Originating in Japan and South Korea**

On December 30, 2016, MOFCOM issued Announcement, announcing the final ruling on the antidumping measures applicable to imported non-dispersive single-mode optical fibers originating in Japan and South Korea. According to the Announcement, as from January 1, 2017, the antidumping tax will continue to be levied on the imported non-dispersive single-mode optical fibers originating in Japan and South Korea for five years.

**AQSIQ Issued 13th Five-Year Plan for Boosting Quality and Brand**

Recently, the General Administration of Quality Supervision, Inspection and Quarantine has issued the 13th Five-Year Plan for Boosting Quality and Brand. The Plan clarifies quality improvement actions will be carried in nine areas, i.e. consumer goods, imported and exported commodities, e-commerce commodities, imported and exported agricultural products, imported and exported food, equipment manufacturing, service industry, protection of products marked with the national geographic indications, and protection of ecological products of origin.

**China-Malaysia Taxation Agreement Issued**

On 19 December 2016, State Administration of Taxation issued Announcement and declared that the Exchanged Letters on the Agreement between the Government of the People's Republic of China and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was officially signed in Beijing On 1 November 2016. The Exchanged Letters became effective and began to be implemented on 1 November 2016.

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**Capital and Corporate**

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**MOF Issued New Standards for Audit Reports**

Recently, MOF has issued twelve standards including the Auditing Standards for Certified Public Accountants of China No.1504 – Communication on Key Audit Matters in Audit Reports. The twelve auditing standards issued this time improve the information content of audit

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reports and strengthen the decision pertinence thereof; boost the communication value of audit reports and enhance the transparency of the auditing; heighten the responsibilities of CPAs and increase the auditing quality.



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### **CIRC to Overhaul Administrative Measures for Equity of Insurance Companies**

Recently, the China Insurance Regulatory Commission has revised and released the Administrative Measures for the Equity of Insurance Companies (Draft for Comment) for public comments before January 31, 2017. The Draft for Comment further tightens the entry criteria for shareholders, sets forth strict restrictive standards for shareholders in the respective category of finance, strategy and controlling, and establishes a negative list for market entry.

### **SZSE Standardizes Format of Announcements on Information Disclosure of Listed Companies**

Recently, SZSE has compiled and issued the Memorandum concerning Information Disclosure on the Mainboard No. 7 — Format of Announcements on Information Disclosure (Revised in January, 2017), the Memorandum concerning Information Disclosure on the GEM Board No. 2 — Format of Announcements on Information Disclosure of Listed Companies (Revised in January, 2017) and the Memorandum concerning Information Disclosure on the SME Board No. 13: Format of Announcements on Information Disclosure of Listed Companies (Revised in January, 2017). The Format of Announcements covers 38 types of matters, such as listed companies' purchase and transfer of assets.

### **Regulations for Overall Risk Management of Securities Companies and Other Three Rules Issued**

Recently, the Securities Association of China has issued the Regulations for the Overall Risk Management of Securities Companies as well as other three self-discipline rules. The Regulations involve the following revisions. Firstly, relevant requirements on the organizational structure for risk management are further detailed to enhance the practicability. Secondly, subsidiaries are covered under the overall risk management, subject to specifically proposed requirements on risk management. Thirdly, separate chapters are defined to improve the framework of the Regulations.

### **CIRC Enhances Regulation over Compliance of Insurance Companies**

Recently, CIRC has issued the Administrative Measures for the Compliance of Insurance Companies. The Measures specify the compliance management framework with "three lines of defense" and require that a company's business sectors and branch offices, department of compliance management and positions of compliance, and internal auditing departments jointly make up the "three lines of defense" for compliance management, respectively bearing corresponding responsibilities in compliance management.



## ***Our Team***

*International Trade Team of Shanghai AllBright Law Offices is a leading team in international trade legal service area. The team's accurate knowledge of domestic and foreign laws and procedures can help clients avoid the risk of international trade barriers, solve international disputes from trade remedies and customs.*

*Apart from international trade legal service, the team has expanded investment and financing service. With its international cooperation net, the team can design specific cross-border financing plan for local companies to solve their difficulties of financing.*