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*International Trade Team*

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**Trade**

**Key Words:**

- Customs Pay-in Warrants
- Belt and Road
- Independent Directors
- Bond Connect

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**SAT Standardizes the Information-based Administration for the Verification of Special Pay-in Warrants for the Customs Import VAT**

Recently, the General Office of the State Administration of Taxation ("SAT") has distributed the Circular on Performing the Information-based Administration for the Verification of Special Pay-in Warrants for the Customs Import Value-added Tax (the "Circular"), effective from June 1, 2017. The Circular states that the SAT has decided to perform the information-based administration for the verification of special pay-in warrants for the customs import VAT together with the General Administration of Customs, while a new function of verifying the customs pay-in warrants is added to the Management Information System for the Verification and Examination of Tax Deduction Vouchers.

**China and Georgia Signed Free Trade Agreement**

On May 13, 2017, Chinese commerce minister and Georgia's minister for economy and sustainable development signed the Free Trade Agreement Between the Government of the People's Republic of China and the Government of Georgia on behalf of their respective countries. The Agreement comprises of 17 chapters covering trade in goods, trade in services, rules of origin etc.

**MOFCOM Official Commented on the Appellate Body Report Released by WTO on China's Appeal against US Anti-Dumping Measures**

On May 11, 2017, the World Trade Organization (WTO) issued the Appellate Body Report on the appeal filed by China against anti-dumping measures adopted by the US. The head of the department of treaty and law at the Ministry of Commerce (MOFCOM) commented on the matter, saying that the appellate body overruled the conclusions made by the expert panel and clarified relevant WTO rules, deciding that the US' imposition of high anti-dumping tariffs based on unjustified adverse facts constituted a generally applicable measure. China welcomes the decision. However, China regrets to know that since the expert panel did not perform a comprehensive analysis on the measure, the appellate body was unable to conclude as to whether the measure constituted a violation to the WOT rules.

**"Belt and Road" Initiative for Trade Cooperation Released**

As one of important achievements made in the "Belt and Road" Forum for International Cooperation, the "Belt and Road" Initiative for trade cooperation were released on May 14. It is expected that, in the next five years, China will import goods of US\$2 trillion from countries and regions along the route, and make investments of around US\$150 billion in these countries and regions, in a move to enhance investment cooperation with each other and drive trade through investment.

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**Capital and Corporate**

**CBRC Issued the Legislative Working Plan for the Year 2017**

Recently, the General Office of the China Banking Regulatory Commission ("CBRC") has issued the 2017 Legislative Working Plan of the China Banking Regulatory Commission (the "Plan"). According to the Plan, 46 legislation projects will be completed in 2017, including

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formulating four administrative regulations as entrusted, such as the Administrative Regulations for Financing Guarantee Companies, the Regulations for Trust Companies, the Regulations for Handling Illegal Fund-raising Practices and the Regulations for Handling Bankruptcy Risks of Commercial Banks; formulating and revising other rules and normative documents.



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### **CIRC to Implement Relevant Matters on the Business Licensing for Professional Insurance Intermediaries**

Recently, the China Insurance Regulatory Commission ("CIRC") has distributed the Circular on Implementing Relevant Matters Specified in the Document (Bao Jian Fa [2016] No.82), with immediate effect. The Circular regulates two matters. One involves the certifications proving that the capital contributed by shareholders is self-owned, real and lawful, and the other relates to the escrow account for the registered capital.

### **SZSE Updated the Measures on Record-filing of Independent Directors to Tighten Qualification Requirements**

Recently, the Shenzhen Stock Exchange ("SZSE") has issued the revised Measures on the Record-filing of Independent Directors (the "Measures"), with immediate effect. Contents in the following aspects are mainly amended in the Measures. The first is to further tighten relevant requirements on qualifications of independent directors. The second is to add requirements that attention shall be paid to an independent director candidate's performance during the previous tenure when he or she was an independent director and require the disclosure of such performance-related particulars. The third is to appropriately ease requirements on the duration throughout which the candidate has obtained relevant qualification certificates.

### **PBC Approved the "Bond Connect" between Mainland China and Hong Kong**

Recently, the People's Bank of China ("PBC") and the Hong Kong Monetary Authority have released a joint announcement to approve the China Foreign Exchange Trade System & National Interbank Funding Center, the China Government Securities Depository Trust & Clearing Co., Ltd., the Shanghai Clearing House, together with the Hong Kong Exchanges and Clearing Limited and the Central Moneymarkets Unit, to collaborate in establishing mutual bond market access between Hong Kong and Mainland China ("Bond Connect")

### **SSE and SZSE Solicit Comments on Their Respective Measures for the Suitability Management of Bond Market Investors**

Recently, Shanghai and Shenzhen stock exchanges separately issued the Measures of the Shanghai Stock Exchange for the Suitability Management of Bond Market Investors (Draft for Comments) and the Measures of the Shenzhen Stock Exchange for the Suitability Management of Bond Market Investors (Draft for Comments), and sought the public's feedback on the Measures. Amendments to the Measures are summarized as follows. (1) Bond investor eligibility criteria are adjusted according to the Measures issued by China Securities Regulatory Commission. (2) The range of retail investors has been adjusted based on the risk characteristics of bond investment.



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## ***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.*