

China



China's State Administration of Foreign Exchange: with further devolution of authority to vet and approve the business of 10 capital projects, investment and trade activities in the future will be more convenient.

On May 13, 2009, the State Administration of Foreign Exchange issued the "notice of the State Administration of Foreign Exchange on the adjustment of authority to vet and approve the business of part of the capital project of foreign exchange" (hereinafter referred to as "notice"), which will further devolve China's foreign exchange business license approval. According to the notice, the 10 capital projects will be approved by the local branch of foreign exchange and need not be reported to the State Administration of Foreign Exchange, which will greatly reduce the time of the enterprise in conducting business, including the external security provided by non-bank financial institutions and enterprises to foreign enterprises, the external security provided by domestic enterprises in issuing bonds for foreign institutions (including commercial paper), the change of registration contents of "securities business license of foreign exchange" by fund management branch of securities companies (not related to the scope of the adjustment operation), the purchase and redemption in the business of more than 50 million U.S. dollars by QDII (Qualified Domestic Institutional investors) and so on.

The notice will come into effect from June 1, 2009. By then, foreign-invested enterprises only need to be approved by the local branch office if they are to apply for the opening of capital accounts in different places. At the same time, the transfer of purchase and payment of the immigrant property and heritage property will be approved by the Immigration Branch of the original residence and the residence branch of the successor respectively. The notice will undoubtedly shorten the time required for the approval of the related business of enterprises and the future investment and trade activities in China will be more convenient. **PKF**

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