

Summary of the Circular on the Joint Annual Inspection of Foreign Investment Enterprises for 2009 (promulgated on February 16, 2009)

On February 16, 2009, the Ministry of Commerce, the Ministry of Finance, the State Administration of Taxation, the State Administration for Industry and Commerce, the National Bureau of Statistics and the State Administration of Foreign Exchange jointly released the *Circular on the Joint Annual Inspection of Foreign Investment Enterprises for 2009* (the "Circular"). Pursuant to the Circular, the joint annual inspection of foreign investment enterprises for the year 2009 shall be conducted from March 1, 2009 to June 30, 2009.

In consideration of the current international economic environment, the Circular made the following special provisions: (i) if the registered capital contribution deadline of a foreign investment enterprise is after July 1, 2008 and the shareholders of the enterprise cannot pay the registered capital prior to such deadline, the administration for industry and commerce will defer such deadline to the end of 2009 per the application of the enterprise, provided that the enterprise has no record of illegal activities; (ii) if a foreign investment enterprise, due to the international financial crisis, fails to commence its business within six months of its establishment or suspends its business consecutively for more than six months at its own choice, the administration for industry and commerce, which has the power to cancel the business license of the enterprise in accordance with the *Company Law of the People's Republic of China*, will allow the existence of the enterprise to the end of 2009, i.e. the business license of a foreign investment enterprise will not be cancelled for the reason that either of the above circumstances occurs for the enterprise before the end of 2009.

If you have any questions to the above, please feel free to contact us. Thank you.

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