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Newsletter

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Insights & Ideas

Legal Updates

Comment on Proposed Amendments to Qualified Foreign Institutional Investors Rules (Authors: James WANG, Chu LIU)

On June 20, 2012, China Securities Regulatory Commission ("CSRC") promulgated the Regulation of China Securities Regulatory Commission on the Implementation of the Measures for the Administration of Securities Investment Made in China by Qualified Foreign Institutional Investors ("QFII") (Draft) (the "Regulation"), aiming to amend the Notice of China Securities Regulatory Commission on the Implementation of the Measures for the Administration of Securities Investment Made in China by Qualified Foreign Institutional Investors (the "Notice") issued on August 24, 2006. CSRC, People's Bank of China and State Administration of Foreign Exchange jointly issued on August 24, 2006 the Measures for the Administration of Securities Investment Made in China by Qualified Foreign Institutional Investors (the "Measures"), amending the relevant rules regarding the QFII program for the first time since its initiation in 2002. The Draft Regulation aims to further open up the capital market and attract more long term investment from abroad. More specifically, the Draft Regulation would simplify the approval process for QFII, lower the requirements, loosen the restriction on opening securities trading accounts, expand the investable scope, facilitate the investment and operation, improve the supervision system of the investment by QFII, and ensure that relevant risks are under control.

The main points of the Draft Regulation, as compared to the Notice and other relevant laws and regulations on the QFII program, are as follows:.

Article	Change	The Notice (2006)	The Regulation (2012)
1	Lower the QFII qualification requirements for “fund management institutions” (under the Notice)/“asset management institutions” (under the Draft Regulation)	The applicant shall have at least five years’ experience in the asset management business, and the securities assets under management by the applicant in the most recent accounting year shall not be less than USD5 billion.	The applicant shall have at least two years’ experience in the asset management business, and the securities assets under management by the applicant in the most recent accounting year shall not be less than USD500 million.
	Lower the QFII qualification requirements for insurance companies.	The applicant shall have been established for five or more years, and the securities assets held by the applicant in the most recent accounting year shall not be less than USD5 billion.	The applicant shall have been established for two or more years, and the securities assets held by the applicant in the most recent accounting year shall not be less than USD500 million.
	Lower the QFII qualification requirements for securities companies.	The applicant shall have at least 30 years’ experience in the securities business, its actual paid-in capital shall be no less than USD1 billion, and the securities assets under management by the applicant in the most recent accounting year shall be no less than USD10 billion.	The applicant shall have at least five years’ experience in the securities business, its net asset shall be no less than USD500 million, and the securities assets under management by the applicant in the most recent accounting year shall be no less than USD5 billion.
	Lower the QFII qualification requirements for commercial banks.	The applicant’s total assets for the latest accounting year shall rank among top 100 in the world, and the securities assets under management by the applicant in the most recent accounting year shall be no less than USD10 billion.	The applicant shall have at least 10 years’ experience in the banking business, with a total of USD300 million Tier 1 Capital, and the securities assets under management by the applicant in the most recent accounting year shall be no less than USD5 billion.
	Lower the QFII qualification requirements for other institutional investors (such as pension funds, charity foundations, endowment funds,	The applicant shall have been established for five years or more, and the securities assets held by the applicant in the most recent accounting year shall not be less than USD5 billion.	The applicant shall have been established for two years or more, and the securities assets held by the applicant in the most recent accounting year shall be no less than USD500 million.

Article	Change	The Notice (2006)	The Regulation (2012)
	trust companies, and governmental investment management companies).		
2	Simplify the application and approval process	In applying for the QFII qualification, the applicant shall submit the application documents (in one original and one duplicate) to China Securities Regulatory Commission[1].	In applying for the QFII qualification, the applicant shall submit the application document in electronic manner through the website of China Securities Regulatory Commission, together with a copy to China Securities Regulatory Commission. Should any of the significant events stipulated in Article 30 of the Administrative Measures occurs, the QFII shall file for record with China Securities Regulatory Commission electronically through its website.
6	Allow multiple securities accounts, satisfy the need for QFIIs to choose multiple securities companies, and facilitate the investment of QFII	A QFII shall entrust a custodian to apply to China Securities Depository and Clearing Corporation Limited for opening more than one securities account. The securities accounts under such application shall correspond to the special Renminbi accounts approved by the SAFE on a one-on-one basis.	The Regulation eliminates the expression of “one on one” in the Notice and thus allows the QFII to open multiple securities accounts with different securities companies with one single special Renminbi account.
7 and 8/7	Allow QFIIs to open separate accounts for different clients,	Article 7：QFIIs shall apply to open securities accounts in their own names, and shall, in the case of providing clients	The Regulation combines Articles 7 and 8 in the Notice into one, which stipulates that QFIIs shall open separate

[1] Such documents mainly include: (a) application form; (b) basic information on the primary responsible person; (c) investment plan; (d) description of the source of fund; (e) explanation on whether or not the applicant has been subject to any severe penalty by regulatory authorities in the recent three years; (f) business license (in photocopy) issued by the applicant’s country or region of origin; (g) financial business permit (in photocopy) issued by the regulatory authority of the applicant’s country or region of origin; (h) articles of association (in photocopy); (i) draft of the custody agreement entered into with the custodian; (j) audited financial statements for the latest three years; (k) other documents requested by CSRC; and (l) the relevant power of attorney, written notarization and Chinese translation.

Article	Change	The Notice (2006)	The Regulation (2012)
	facilitates the investment of QFIIs and enhance transparency	with asset management services, open nominal holders' accounts. Article 8: When a QFII applies to open securities accounts for long-term capital such as publicly offered funds, insurance funds, pension funds, charity foundations, endowment funds, or governmental investment funds, the names of such accounts may be set in the form of "QFII + Fund/Insurance Capital/etc.)".	securities accounts for its proprietary capital and client assets under its management[2]. When a QFII applies to open securities accounts for a client, the names of such accounts may be set in the form of "QFII + the name of the client".
	Satisfy the need of QFIIs to invest in the specific customer product provided by the fund management institutions and facilitate the operation of QFII		The Draft Regulation adds that domestic fund management institutions may provide specific customer asset management services to QFIIs and open accounts for them, while the scope of investment is the same as that of QFIIs
8/9	Expand investment scope	QFIIs may invest in the following Renminbi financial instruments within the approved investment quota: (a) Stocks listed and traded on securities exchanges; (b) Bonds listed and traded on securities exchanges; (c) Securities investment funds; (d) Warrants listed and traded on securities exchanges; and (3) Other financial instruments in which an investment is permitted by CSRC.	Apart from the index option[3], QFIIs are further allowed to invest in the inter-bank bond market.

[2] Also including the open-end China funds, which refers to open-end securities investment funds set up outside of China in the form of public offering that invest at least 70% of their assets in China, according to the Provisions on Foreign Exchange Administration of Domestic Securities Investment by Qualified Foreign Institutional Investors (Announcement of the State Administration of Foreign Exchange [2009] No. 1)

[3] Guidelines for Qualified Overseas Institutional Investors Participating in Stock Index Futures Trading (Announcement [2011] No. 12 of China Securities Regulatory Commission)

Article	Change	The Notice (2006)	The Regulation (2012)
		QFIIs may participate in the offering of new shares, offering of convertible bonds, follow-on offering of shares and subscription of allotted shares.	
	Raise foreign exchange quota for investment		In 2009, the State Administration of Foreign Exchange promulgated the *Provisions on Foreign Exchange Administration of Domestic Securities Investment by Qualified Foreign Institutional Investors,* raising the foreign exchange quota for QFII's investment, facilitating the process for opening capital accounts, and loosening the lock-up of QFII capital and the restriction on the remittance and repatriation of foreign exchange.
10/9	Loosen restriction on share ownership	The securities investment made within China by overseas investors shall be subject to the following share ownership percentage caps: (a) The ownership percentage in a listed company by any single overseas investor through QFII shall not exceed 10% of the total shares of that company; and (b) The aggregate ownership percentage in a single listed company by all overseas investors shall not exceed 20% of the total shares of that listed company.	The share ownership percentage cap for any single overseas investor through QFII remains 10%. The maximum aggregate ownership percentage of all overseas investors in any single listed company is increased to 30% from 20%.

In summary, the amendments are proposed by CSRC for the purpose of loosening relevant restrictions and enhancing its supervision of the QFII program. It is believed that if the proposed amendments are adopted, QFIIs will continue to become a more significant part of the A share market, helping the stable growth and further opening-up of China's capital market, which in turn will attract more and more overseas long term capital to China.

Legal Updates

1. SAFE Introduced New Circular on the Administration of Foreign Exchange on Encouraging and Guiding the Healthy Development of Private Investment (Authors: Lizhen ZHANG, Nikki YANG)

To further implement the *Opinions of the State Council on Encouraging and Guiding the Healthy Development of Private Investment* (Guo Fa [2010] No.13), the State Administration of Foreign Exchange (the "**SAFE**") promulgated the *Circular of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange on Encouraging and Guiding the Healthy Development of Private Investment* (Hui Fa [2012] No.33, the "**Circular 33**"). Circular 33 shall come into effect as of July 1, 2012.

Certain important provisions of Circular 33 are summarized as follows:

Validity of Relevant SAFE Circulars Promulgated Prior to Circular 33

Starting from July 1, 2012, in the event that there is any discrepancy between the provisions in Circular 33 and those in the *Notice of the State Administration of Foreign Exchange on Foreign Exchange Control Issues Concerning Overseas Lending by Domestic Enterprises* (Hui Fa [2009] No.24, the "**Circular 24**") and the *Provisions on Foreign Exchange Administration for Overseas Direct Investment of Domestic Institutions* (Hui Fa [2009] No.30, the "**Circular 30**") respectively, Circular 33 shall prevail.

Simplify the Administration of Funds Remitted from Overseas Direct Investment

According to Circular 30, if capital increase or decrease, equity transfer or replacement, or merger or division occurs to an established overseas enterprise the domestic institution shall, within sixty (60) days from the date of occurrence of the said changes, fulfill the change registration of foreign exchange for overseas direct investment with respect to the said changes. As to the capital earnings in a foreign currency gained from the decrease of capital, transfer of equity, liquidation of an overseas enterprise established by domestic institution, such domestic institution shall go through the formalities for entering such earnings in an account through a special foreign exchange account for converting assets into cash (the "**Account**") or deposit the same in an overseas bank subject to approval of the foreign exchange administration bureau. The opening of the Account and entering the earnings into the Account shall be examined and approved by competent foreign exchange administration bureau at the place where the domestic institution is located in accordance with the relevant provisions. The application for settlement of foreign exchange in the Account shall be filed directly with a designated foreign exchange bank in accordance with the relevant provisions.

Comparing with Circular 30, Circular 33 provides that the overseas direct investment funds as the difference between the total investment amount and registered capital remitted by a domestic enterprise may, upon the registration at the foreign exchange administration bureau at the place where the domestic enterprise is located, be directly remitted to China without handling the capital decrease or capital withdrawal registration formalities.

Simplify the Foreign Exchange Administration on Overseas Lending

According to Circular 24, the lender may extend a loan to an overseas borrower out of its own foreign exchange funds or Renminbi funds earmarked for purchasing foreign exchanges, or the foreign currency pools approved by the foreign exchange administration bureau. Comparing with Circular 24, Circular 33 broadens the fund resource of overseas lending and allows the domestic enterprise to carry out overseas lending by using domestic loans in foreign currency.

Furthermore, Circular 33 has cancelled the account verification and approval of the purchase and payment in foreign exchange or remitting of overseas lending funds. A domestic enterprise, when providing overseas loans, after the overseas lending limit has been verified and approved by the foreign exchange administration bureau at the place where the domestic enterprise is located and after having gone through relevant registration formalities, may directly receive and pay the fund with a lending account specially for overseas lending purpose with a designated foreign exchange bank.

Appropriately Loosen the Administration on Guarantee to Foreign Entities by PRC Individuals

Under Circular 30, a domestic institution may, in accordance with the *Regulations of the People's Republic of China on Foreign Exchange Control* and other relevant provisions, provide commercial loans or foreign financing guarantee to overseas investment enterprises. Circular 33 provides that when the domestic enterprise is providing foreign guarantees for overseas financing of overseas investment enterprise, a domestic individual is allowed, as the joint guarantor, to provide guarantee for the same debt through assurance, mortgage, pledge or other manner as allowed by the Securities Law.

Moreover, Circular 33 clarifies the application procedures for providing the said foreign guarantee by domestic individuals. The domestic individual shall entrust the domestic enterprise which provides guarantee jointly to render application for providing such foreign guarantee with the foreign exchange administration bureau at the place where the domestic enterprise is located. If the foreign exchange administration bureau approves the domestic enterprise to provide overseas guarantee for this debt in accordance with the prescribed procedure, it may handle the overseas guarantee registration for the domestic individual and enterprise at the same time. The foreign exchange administration bureau does not need to carry out substantive examination on the specific contents including but without limitation to the qualification and conditions, guarantee manner and

the scope of guarantee property of the domestic individual etc.

In addition, Circular 33 provides that the foreign exchange administration bureau, when handling the overseas guarantee registration for the domestic enterprise, may at the same time indicate that there is a domestic individual providing overseas guarantee for the same debt in the Overseas Guarantee Registration Certificate of this enterprise. When the domestic individual applies for handling overseas guarantee performance, the foreign exchange administration bureau at the place where the domestic enterprise is located shall handle it based on relevant certificate documents for the performance of the debt.

The aforementioned is a preliminary summary of Circular 33 prepared by us. There may be uncertainties regarding the application of Circular 33 in practice as the assessment criteria of different foreign exchange administration bureaus may vary to some extent. Should you have any questions regarding Circular 33 and its application, please do not hesitate to contact us.

2. The State Administration of Taxation Further Clarifies the Policy for Determining "Beneficial Owners" in Tax Treaties (Authors: Bing XUE, Chu LIU)

The State Administration of Taxation ("**SAT**") promulgated in October of 2009 *the Circular of the State Administration of Taxation on the Interpretation and Determination of "Beneficial Owners" in the Tax Treaties* (GuoShui Han [2009] No.601, "**Notice 601**"), providing even negative factors and the principle for determining the identity of beneficial owners for the purpose of claiming treaty benefits by nonresident taxpayers under the Sino-foreign Tax Treaty ("**Tax Treaty**"), in order to prevent abuse of the tax treaties. Despite the guidelines for such determination under Notice 601, there is still much uncertainty involving the standards and unification of the determination in practice.

In order to better implement Notice 601, the SAT released on June 29, 2012 the *Announcement on the Determination of "Beneficial Owners" in the Tax Treaties*(Announcement of the SAT [2012] No.30, "**Announcement 30**"), providing for the treatment and procedure on determination of the beneficial owners, the salient points of which are summarized as follows:

The Principle of Determination of the Identity of Beneficial Owners

Announcement 30 states clearly that the identity of beneficial owners shall be comprehensively analyzed and determined pursuant to all factors specified in Notice601. The decision shall not be made solely on the basis of the existence of a certain negative factor or the non-existence of "purposes of evading or reducing tax, transferring or accumulating profits." The principle of comprehensive analysis and determination under Announcement 30 will promote the unification of the standards and procedures adopted by different local taxation authorities.

Supporting Documents for the Determination of "Beneficial Owners"

Announcement 30 provides a list of supporting documents for the determination of beneficial owners, including articles of association, financial statements, records of capital flow, minutes of the board of directors, resolutions of the board of directors, allocation of manpower and material resources, related expenses, functions and risk-taking, loan contracts, royalty contracts or transfer contracts, patent registration certificates, copyright certificates, as well as agency contracts or designated receivable contracts, etc..

From the above said, it can be inferred that the Chinese local taxation authorities tend to focus more on established legal and financial documents as a basis for the determination, since they provide better evidence of the reasonable economic purpose, which raises the standard of internal control for the taxpayer.

"Safe Harbor" Provision

Announcement 30 provides a "**Safe Harbor**" applicable to dividends. In the application for tax treaty benefits by nonresident taxpayers ("**applicants**") that derive income from China in terms of dividends, the identity of the beneficial owners can be determined if (1) the applicants are companies that are listed in the other country which is one of the signatory parties to the relevant tax treaty, or the applicants are 100% directly or indirectly owned by companies that are also tax residents of a signatory party to the relevant tax treaty (excluding situations where shares of the applicants are indirectly held through legal entities in a third country or region which are not signatory parties to the relevant tax treaty); and (2) the dividends are derived from the stocks held by the said companies.

This "Safe Harbor" provision is beneficial news, especially for those foreign listed companies that have investments in China.

Provision Applicable to Agents Responsible for Receiving the Income

Announcement 30 clearly states that the determination of beneficial owners shall not be affected even if the income of the applicants are collected by agents or designated receivers ("**agents**") who are not residents of the signatory parties to the tax treaties. However, the agents should declare to the local taxation authorities that they are not beneficial owners. The taxation authorities shall verify the identity of the agents through the information exchange mechanism provided in the relevant tax treaties.

Tax Collection and Administration

Announcement 30 provides that if the determination of the beneficial owners is difficult and the decision can't be made within the specified period of time, the taxation authorities can make the decision to temporarily disallow the tax treaty benefit. Taxation authorities shall later refund the

corresponding payment to those applicants who are entitled to enjoy the benefit under the tax treaties after approval. In cases involving rejection of the application for the identity of beneficial owners, the decision shall come into force after the approval of taxation authorities at the provincial level, which shall also file the related results to the SAT (the Bureau of International Taxation) at the same time.

When the same taxpayer has to apply for a determination of identity of beneficial owner to enjoy the tax treaty benefit at different taxation authorities for the same case, the taxpayer can explain the situation to the related taxation authorities, who should make their assessment after discussing the matter amongst themselves; if an agreement cannot be reached, the application shall be sent to the common taxation authority at a higher level attached with information covering the negotiation situation.

Effective Date

Announcement 30 came into effect on June 29, 2012. Therefore, for those cases involving the determination of beneficial owners that have been submitted to the relevant taxation authorities with the review results pending, we suggest seeking consultation with the relevant authorities to determine whether Announcement 30 may apply retrospectively.

Summary

Announcement 30 further establishes the standards for determining the identity of beneficial owners, which will promote the unification of the approaches adopted by different local taxation authorities concerning the grant of tax treaty benefits, facilitate the compliance management of the cross border investment and financing structures, and guide the design of tax efficient structures as well. It is advisable that the relevant taxpayers shall initiate communication with the competent taxation authorities to understand the local interpretations and practices.

3. Sichuan Province Promulgated Notices and Relevant Guidelines on Regulating the Development of Equity Investment Enterprises (Authors: Evan ZHANG, Lu RAN)

After the promulgation of the *Notice on Promoting the Standardized Development of Equity Investment Enterprises* (Fa Gai Ban Cai Jin [2011] No. 2864) ("**NDRC 2864 Notice**") by the general office of the National Development and Reform Commission ("**NDRC**") on November 23, 2011, local governments at provincial and municipal level have progressed to issue or revise their policies or regulations on equity investment enterprises. Sichuan Development and Reform Commission ("**SCDRC**"), and Sichuan Provincial Administration for Industry and Commerce jointly released *the Notice on Regulating the Development of Equity Investment Enterprises in Sichuan* (Chuan Fa Gai Cai Jin [2012] No. 493, "**SCDRC 493 Notice**") on July 2, 2012. In the meantime, SCDRC issued

the Notice on Printing the Guidelines of the Record-filing Administration of Equity Investment Enterprises in Sichuan ("**Sichuan Record-filing Guidelines**") with affiliated relevant standard documents. Both the SCDRC 493 Notice and Sichuan Record-filing Guidelines shall come into effect as of the date of promulgation.

Prior to the release of the SCDRC 493 Notice, there are no provincial-level regulations widely applicable to equity investment enterprises in Sichuan Province. The SCDRC 493 Notice and Sichuan Record-filing Guidelines, formulated on the basis of NDRC 2864 Notice, have set forth detailed provisions on the establishment, operation and record-filing administration of equity investment enterprises in Sichuan Province.

Definitions and Organizational Forms of Equity Investment Enterprises

According to the SCDRC 493 Notice, equity investment enterprises are defined as those business organizations in the forms of a limited liability company, a company limited by shares or a limited partnership, that are established by raising capital from targeted investors in a private placement manner, and primarily invest in a non-publicly traded equity, such as the equity of non-listed enterprises and the private equity of listed enterprises, and then obtain capital appreciation income by transferring such equity. Equity investment management enterprises are those professional companies or partnerships with a main business of being entrusted to manage the monetary assets for equity investment enterprises, which can also provide relevant value-added services. Limited to its way of raising capital, equity investment enterprises shall not be established in the form of a general partnership.

Registration of Equity Investment Enterprises with Local AIC

Besides restating those supervising regulations on equity investment enterprises in NDRC 2864 Notice, such as prohibiting public offerings in any forms, prohibiting making commitments that the investment is principal-protected or is guaranteed with returns, adopting the "look-through" method in calculating the total number of investors, and allowing making capital contribution commitment, etc, the SCDRC 493 Notice has also clearly put forward specific registration requirements for those equity investment enterprises within Sichuan, i.e.:

1) Total Amount of Capital

The registered capital of an equity investment enterprise established in the form of a company should be no less than RMB one hundred million (RMB100,000,000), the capital contribution of which is allowed to be made in installments within five years with at least 20% down-payment of the registered capital. The minimum capital contribution commitment of an equity investment enterprise established in the form of a limited partnership should be RMB one hundred million (RMB 100,000,000). The registered capital of equity investment management enterprises should be no less than RMB five million (RMB 5,000,000).

2) Minimum Capital Contribution Commitment Made by An Single Investor

Each single investor of an equity investment enterprise is required to make a minimum capital contribution commitment of RMB ten million (RMB10,000,000).

3) Payment of Capital Contribution

All investors of equity investment enterprises and equity investment management enterprises are only allowed to make capital contribution with monetary funds.

4) The Approved Name and Business Scope

The approved name of an equity investment enterprise shall be in the format of "Name of the Administrative Division + Trade Name + Equity Investment+ Form of Organization", or "Name of the Administrative Division+ Trade Name + Equity Investment Fund + Form of Organization". The approved name of equity investment management enterprises shall be in the format of "Name of the Administrative Division + Trade Name + Equity Investment Management + Form of Organization", or "Name of the Administrative division + Trade Name + Equity Investment Fund Management + Form of Organization".

The approved business scope of an equity investment enterprise shall be: to make investment to the non-publicly traded equity of non-listed enterprises or the private equity of listed enterprises, and to provide relevant consulting services. The approved business scope of equity investment management enterprises shall be: to be entrusted to manage equity investment enterprises, to undertake investment management and to provide relevant consulting services. The SCDRC 493 Notice also explicitly stipulates that these enterprises shall not concurrently engage in businesses beyond their approved scope.

Requirements on Investment Risk Control of Equity Investment Enterprises

Consistent with NDRC 2864 Notice, the SCDRC 493 Notice requires that an equity investment enterprise shall entrust an independent and qualified commercial bank to take custody of its monetary assets, unless all investors unanimously agree that assets custody shall be waived. In the meantime, the SCDRC 493 Notice sets forth seven requirements for a qualified custodian bank, e.g., such bank shall be a legal entity as a commercial bank registered in Sichuan Province, or a Sichuan branch of a commercial bank authorized by its headquarter. In addition, the SCDRC 493 Notice put forward four specific requirements on the entrusted management institutions, with a focus on managing experience, qualification and risk control capability, etc.

Record-filing Administration of Equity Investment Enterprises

In terms of the record-filing administration of equity investment enterprises, conforming to NDRC 2864 Notice, the SCDRC 493 Notice has adopted the system of classified record-filing with incidental record-filing of the entrusted management institution. To be specific, an equity

investment enterprise with a capital (including the amount of capital actually contributed by investors and the amount to which the investors have not yet contributed but have committed) reaching RMB five hundred million (RMB500,000,000) or equivalent amount in any foreign currency, shall report for record-filing with the NDRC after the preliminary examination of SCDRC; those with a capital between RMB one hundred million (RMB 100,000,000) and RMB five hundred million (RMB 500,000,000) or equivalent amount in any foreign currency shall apply for record-filing with SCDRC. Furthermore, the SCDRC 493 Notice provides the same exemption circumstances for record-filing with the NDRC 2864 Notice.

Sichuan Record-filing Guidelines issued correspondingly are also consistent with those record-filing guidelines and relevant standard documents issued by the NDRC.

Pursuant to the SCDRC 493 Notice, except those qualified to be exempted, equity investment enterprises newly established after the SCDRC 493 Notice coming into force shall apply for record-filing within one (1) month after their industrial and commercial registration; and those equity investment enterprises registered in Sichuan prior to the effective date of the SCDRC 493 Notice shall apply for record-filing within three (3) months upon the promulgations hereof.

Issues to Be Further Clarified

The SCDRC 493 Notice has not explicitly explained what measures shall be taken against those existing enterprises duly established prior to its promulgation and yet failing to reach the conditions set forth by it. So far as we know, SCDRC is working on the detail measures and rules for the implementation of the SCDRC 493 Notice, and we will follow up and keep you posted of the latest developments in this regard.

Important Announcement

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