

## **China to regulate its overseas investment**

On January 7, China's Ministry of Commerce published on its website the draft of the Management Measures for Overseas Investment by Chinese Companies, in order to solicit opinions from the public. The new rules require that any legally binding documents on a particular project cannot be signed by the investing Chinese enterprises and their foreign partners before the project is approved by either the Ministry of Commerce or the commercial authorities at provincial level.

Projects that are subject to approval from the Ministry of Commerce include investments in countries with no diplomatic relations with China, investments in countries or regions with a high level of security risk, investments with 100 million USD and/or above from the Chinese side, investments in cross-border infrastructure constructions, or investments involving the establishment of special purpose corporations overseas.

Commercial authorities at provincial level will be responsible for reviews on projects with investments from the Chinese side amounting between 10 million and 100 million USD, on projects in the energy and mining sectors, on projects about wholesale complexes and on real estate development projects. In addition, commercial authorities at provincial level should consult China's economic and commercial offices in the Chinese embassies and consulates in foreign countries before approving overseas investments in energy and mining sectors.

The draft also outlines the documentation that the enterprises have to submit in order to apply, as well as the time frame of the whole procedure. It also illustrates the cases in which an application is denied and the punishment for violations. Uniform coded certificates will be issued for authorized projects.

The full text of the draft can be accessed on the website of the Ministry of Commerce. Comments are expected by January 20.

*By People's Daily Online*