

MEMO# 14294

January 4, 2002

DRAFT INSTITUTE COMMENT LETTER ON CHINA'S PROPOSED RULES ON JOINT VENTURES

URGENT/ACTION REQUESTED [14294] January 4, 2002 TO: INTERNATIONAL COMMITTEE No. 2-02 RE: DRAFT INSTITUTE COMMENT LETTER ON CHINA'S PROPOSED RULES ON JOINT VENTURES On December 21, 2001, the China Securities Regulatory Commission (CSRC) proposed rules that would permit foreign institutions, including US firms, to enter into joint ventures with Chinese companies to provide asset management services in China.¹ The Institute provided comments to the US Department of Treasury informally that were relayed to Chinese authorities before the close of the relatively short comment period, which ended on December 31, 2001. We are planning to submit the attached comment letter directly to the CSRC, which we understand will accept submissions after the comment deadline. Please review the comment letter (and the two English translations of the proposed rules) and provide me with any comments by Thursday, January 10, 2002. If you have any questions, please contact me at (202) 326-5810 or jchoi@ici.org. Jennifer S. Choi Associate Counsel

Attachments Attachment no. 1 (in .pdf format) 1 Under the World Trade Organization (WTO) accession agreement, foreign firms will be able to own up to 33% of a Chinese asset management firm upon China's accession into the WTO and up to 49% of an asset manager within three years thereafter. China acceded to the WTO on December 11, 2001.

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