****Document Number：****No. 8 [2022] of the Anhui Provincial Local Financial Regulatory Bureau

****Area of Law：****Foreign Exchange of Overseas Investment

****Level of Authority：****Local Regulatory Documents

****Date Issued：****01-20-2022

****Effective Date：****01-20-2022

****Issuing Authority：****Anhui Provincial Local Financial Regulatory Bureau Department of Commerce of Anhui Province Anhui Provincial Administration for Market Regulation State Administration of Foreign Exchange, Anhui Branch Anhui Office of the China Securities Regulatory Commission

****Status：****Effective

****Topic：****China (Anhui) Pilot Free Trade Zone

****Notice by the Anhui Provincial Local Financial Regulatory Bureau, the Anhui Provincial Department of Commerce, the Anhui Provincial Administration for Market Regulation, the Anhui Branch of the State Administration of Foreign Exchange, and the Anhui Office of the China Securities Regulatory Commission of Issuing the Interim Measures for the Pilot Program of Domestic Equity Investment by Qualified Foreign Limited Partners (QFLPs) in China (Anhui) Pilot Free Trade Zone****

(No. 8 [2022] of the Anhui Provincial Local Financial Regulatory Bureau)

Hefei Municipal People's Government, Bengbu Municipal People's Government, and Wuhu Municipal People's Government; all relevant entities of Anhui Province; and all relevant institutions:

For the purposes of implementing the Framework Plan for China (Anhui) Pilot Free Trade Zone and the Special Promotion Action Plan for China (Anhui) Pilot Free Trade Zone, improving the level of utilization of foreign capital and promoting the development of equity investment market in the province, with the consent of the provincial government, the Interim Measures for the Pilot Program of Domestic Equity Investment by Qualified Foreign Limited Partners (QFLPs) in China (Anhui) Pilot Free Trade Zone are hereby issued for your diligent compliance and implementation.

Anhui Provincial Local Financial Regulatory Bureau

Anhui Provincial Department of Commerce

Anhui Provincial Administration for Market Regulation

Anhui Branch of the State Administration of Foreign Exchange

Anhui Office of the China Securities Regulatory Commission

January 20, 2022

Interim Measures for the Pilot Program of Domestic Equity Investment by Qualified Foreign Limited Partners (QFLPs) in China (Anhui) Pilot Free Trade Zone

Chapter I General Provisions

Article 1 In order to further promote the opening up of Anhui's financial industry to the outside world and standardize the pilot program of domestic equity investment business of qualified foreign limited partners (QFLP), in accordance with the "Foreign Investment Law of the People's Republic of China", "Interim Measures for the Supervision and Administration of Private Equity Investment Funds" and other relevant regulations, Formulate this interim measure.

Article 2 According to the "Overall Plan for China (Anhui) Pilot Free Trade Zone" and "Special Promotion Action Plan for China (Anhui) Pilot Free Trade Zone", these measures shall be tried first within the scope of Anhui Pilot Free Trade Zone.

Foreign-invested equity investment enterprises referred to in these Measures include foreign-invested equity investment management enterprises and foreign-invested equity investment enterprises. Foreign-invested equity investment enterprises may adopt corporate, partnership and other organizational forms, be registered by the market supervision and management department in Anhui Pilot Free Trade Zone that has the right to manage foreign investment registration, and be managed as general foreign-invested enterprises.

The term “foreign-invested equity investment management enterprises” as mentioned in these Measures refers to enterprises or natural persons from abroad who participate in the investment or establishment and actually operate within the scope of the Anhui Pilot Free Trade Zone according to law, and mainly focus on establishing or entrusting the management of foreign-invested equity investment enterprises. An enterprise that conducts business. Foreign-invested equity investment management enterprises may also raise RMB funds from domestic investors who meet the relevant regulations.

The foreign-invested equity investment enterprises referred to in these Measures refer to those that are legally invested or established and operated by overseas enterprises or natural persons within the scope of the Anhui Pilot Free Trade Zone, raise funds from domestic and foreign investors in a non-public manner, and invest in Enterprises with domestic non-publicly traded corporate equity.

The term "senior managers" as mentioned in these Measures refers to managers who hold directors, supervisors, general managers, deputy general managers and above or equivalent positions.

Article 3 Domestic private equity and venture capital fund management institutions with experience in the management and operation of foreign-invested equity investment enterprises may initiate the establishment or be entrusted to manage foreign-invested equity investment enterprises within the Anhui Pilot Free Trade Zone.

Foreign-invested equity investment management enterprises established in China that meet the requirements of the local foreign-invested equity investment management measures in pilot provinces and cities, have mature investment and operation experience, and are registered in other pilot provinces and cities can be included in the Anhui Pilot Free Trade Zone. Initiate the establishment or entrust management of foreign-invested equity investment enterprises within the country.

Article 4 The pilot work of foreign-invested equity investment enterprises in Anhui Province shall be carried out by the Provincial Local Financial Supervision and Administration Bureau in conjunction with the Provincial Development and Reform Commission, the Provincial Department of Commerce, the Provincial Market Supervision and Administration Bureau, the Hefei Central Sub-branch of the People's Bank of China, the Anhui Branch of the State Administration of Foreign Exchange, and the Anhui Provincial Administration of Foreign Exchange. The China Securities Regulatory Bureau, the Provincial Private Equity Fund Industry Association and other units have established a joint consultation working mechanism. All relevant units will jointly promote the pilot work of foreign-invested equity investment enterprises in Anhui Province in accordance with the relevant regulations of the state and combine their respective responsibilities, and coordinate and solve relevant issues related to the management of the pilot program.

The Provincial Local Financial Supervision and Administration Bureau is responsible for the daily coordination and service of the pilot work; the Provincial Development and Reform Commission is responsible for providing relevant services for investment projects of foreign-invested equity investment enterprises; the Provincial Department of Commerce is responsible for providing relevant services for the investment and operation of foreign-invested equity investment enterprises; the provincial market The Supervision and Administration Bureau is responsible for the registration and guidance of foreign-invested equity investment enterprises; the Hefei Central Sub-branch of the People's Bank of China and the Anhui Branch of the State Administration of Foreign Exchange are responsible for the management of cross-border RMB and foreign exchange transactions involved in these measures; the Anhui Securities Regulatory Bureau is responsible for foreign-invested equity investment The daily supervision and management of such enterprises; the Provincial Private Equity Fund Industry Association is responsible for strengthening the self-discipline management of foreign-invested equity investment enterprises.

Article 5 The pilot work of foreign-invested equity investment enterprises in Anhui Province should establish and improve the risk early warning monitoring, resolution and disposal working mechanism, and use regulatory technology to do a good job in risk prevention and control of foreign-invested equity investment enterprises, and effectively prevent the emergence of equity investment enterprises. Engage in illegal fund-raising and other illegal financial activities in the name of investment, venture capital, private equity funds, etc.

Article 6 The pilot program of domestic equity investment by qualified foreign limited partners (QFLP) shall be tried first in the Anhui Pilot Free Trade Zone, and when the conditions are ripe, it shall be promoted to the whole province.

Chapter II Foreign-invested Equity Investment Enterprises

Article 7 To apply for the establishment of a new foreign-invested equity investment enterprise in the Anhui Pilot Free Trade Zone, the words "equity investment management" and "equity investment" should be used in the name, and the words "private equity" should be added to the name of the foreign-invested equity investment enterprise .

Article 8 Foreign-invested equity investment enterprises shall initiate establishment and registration in accordance with the relevant provisions of the "Foreign Investment Law of the People's Republic of China", "Interim Measures for the Supervision and Administration of Private Equity Investment Funds", "Regulations for Registration of Private Equity Investment Fund Managers and Fund Records (Trial)" and other relevant regulations. registration, and shall comply with the requirements of the Asset Management Association of China on the registration of private equity fund managers and the filing of private equity funds.

Foreign-invested equity investment management enterprises that have not completed the registration of private equity fund managers shall not initiate the establishment or be entrusted with the management of foreign-invested equity investment enterprises or domestic private equity and venture capital funds.

Article 9 Foreign investors of foreign-invested equity investment enterprises shall use freely convertible currencies, domestic and foreign currencies, or their RMB profits obtained in China, or legal gains obtained from activities such as share transfers and liquidation, for capital contributions. .

Article 10 The people's governments of Hefei City, Wuhu City, and Bengbu City shall establish a "pre-registration consultation" mechanism for foreign-invested equity investment enterprises. On the basis of consultation with relevant provincial units, the relevant regulatory departments of each city shall jointly review and determine foreign investment. The pilot qualification and investment quota of equity investment enterprises shall guide the market supervision and management department to register according to law. The people's governments of Hefei, Wuhu, and Bengbu should complete the consultation work within 15 working days. After the registration is completed, the relevant municipal people's government shall report to the Provincial Local Financial Supervision Administration, the Provincial Development and Reform Commission, the Provincial Department of Commerce, the Provincial Market Supervision Administration, the Hefei Central Sub-branch of the People's Bank of China, the Anhui Branch of the State Administration of Foreign Exchange, the Anhui Securities Regulatory Bureau, the provincial Reported by the Private Equity Association and other departments.

Article 11 When a foreign-invested equity investment enterprise applies for new establishment, it shall provide the following materials:

(1) "Application Form for Establishing a Foreign-Invested Equity Investment Management Enterprise" (Appendix 1) or "Application Form for Establishing a Foreign-Invested Equity Investment Enterprise" (Appendix 2);

(2) Articles of association or partnership agreement;

(3) The legal representative (executive partner) and the list of candidates for the board of directors, and copies of their ID cards;

(4) A list of at least 2 senior managers, their resumes and relevant certification materials;

(5) The registration certificate or identity certificate of the foreign investor notarized by the notary office of the country where it is located and certified by the Chinese embassy (consulate) in that country. Investors from Hong Kong, Macau or Taiwan should provide legally notarized by the local notary office registration or identification documents;

(6) A letter of commitment to the authenticity of all the above materials issued by the applicant.

Article 12 Foreign-invested equity investment enterprises shall go through the procedures for changing the following registration items in accordance with relevant laws and regulations:

(1) The name of the enterprise;

(2) business scope;

(3) change of shareholders or partners;

(4) Increase or decrease the subscribed or actually paid capital contribution amount and the payment period;

(5) Changing the organizational form of the company;

(6) Change of senior management personnel;

(7) Division or merger of the company;

(8) Dissolution or bankruptcy.

Article 13 Foreign-invested equity investment enterprises shall abide by the laws, regulations, rules and other relevant provisions of the state on foreign investment. Investments shall not be made in fields prohibited by the negative list for foreign investment access; investment in fields restricted by the negative list for foreign investment access shall meet the conditions stipulated in the negative list; fields other than the negative list for foreign investment access shall be subject to the same rules as domestic and foreign capital. principles of management.

Encourage foreign investment in equity investment enterprises to give priority to investing in the top ten industries including new generation information technology, artificial intelligence, high-end equipment manufacturing, new materials, life and health, new energy vehicles and intelligent connected vehicles, energy conservation and environmental protection, digital creativity, smart home appliances, and green food. Emerging industry.

Article 14 Foreign-invested equity investment enterprises shall handle matters such as foreign exchange registration, account opening, fund exchange, and information submission in accordance with the relevant regulations on foreign exchange management and cross-border RMB.

Article 15 Foreign-invested equity investment enterprises may withdraw from the invested enterprise by means of equity (property share) transfer, capital reduction, liquidation and other national laws and regulations. Profit distribution, capital reduction, dissolution and liquidation in accordance with relevant provisions of the Law.

Chapter III Foreign-invested Equity Investment Management Enterprises

Article 16 A foreign-invested equity investment management enterprise shall be registered in accordance with the following procedures:

(1) For industrial and commercial registration, the market supervision and management department shall complete it according to law within 10 working days;

(2) Go through foreign exchange registration procedures in accordance with relevant regulations;

(3) Fulfill the registration procedures for private equity fund managers with the Asset Management Association of China.

Article 17 A foreign-invested equity investment management enterprise shall have at least two senior managers who meet the following conditions:

(1) Have more than 5 years of experience in equity investment or equity investment management business;

(2) Have more than 2 years of working experience in senior management positions;

(3) Has experience in domestic equity investment or in domestic financial institutions;

(4) Have no criminal record or economic dispute litigation cases that are still being processed in the last 5 years, and have a good personal credit record.

Article 18 The main business of foreign-invested equity investment management enterprises is to initiate, establish and manage foreign-invested equity investment enterprises and their related businesses. They may also initiate the establishment or entrust management of domestic private equity and venture capital funds in accordance with relevant regulations, and provide Investment consulting and other services.

Foreign-invested equity investment management enterprises shall, in accordance with the Interim Measures for the Supervision and Management of Private Equity Investment Funds and the relevant self-regulatory rules of the Asset Management Association of China, follow the principle of professional operation, have a clear main business, and shall not conduct concurrent operations that have nothing to do with private equity fund management or have interests Other business that conflicts.

Chapter IV Foreign-invested Equity Investment Enterprises

Article 19 A foreign-invested equity investment enterprise shall be registered in accordance with the following procedures:

(1) For industrial and commercial registration, the market supervision and management department shall complete it according to law within 10 working days;

(2) Go through foreign exchange registration procedures in accordance with relevant regulations;

(3) Filing private equity fund products with the Asset Management Association of China.

Article 20 Foreign-invested equity investment enterprises may carry out the following businesses in China according to law:

(1) Investing in the equity of non-listed companies;

(2) Investing in non-publicly issued and traded common stocks of listed companies, including directional issuance of new shares, block transactions, transfer by agreement, etc.;

(3) Participate in allotment of shares as the original shareholder of the listed company;

(4) Provide management consulting for the invested enterprises;

(5) Other businesses permitted by the China Securities Regulatory Commission and the Asset Management Association of China.

Foreign-invested equity investment enterprises may participate in investing in domestic private equity funds and venture capital funds, and shall comply with relevant national laws, regulations, and rules on foreign investment. The private equity and venture capital funds participating in the investment must directly invest in entity enterprises.

Article 21 Foreign-invested equity investment enterprises handle custody in accordance with the "Interim Measures for the Supervision and Administration of Private Equity Investment Funds" and the relevant requirements of the Asset Management Association of China.

Article 22 Banking financial institutions are encouraged to provide foreign-invested equity investment enterprises with account opening services such as foreign exchange capital accounts, foreign exchange settlement and pending payment accounts, fundraising accounts, and custody accounts through online methods to improve service efficiency.

Article 23 Foreign-invested equity investment enterprises adopt the method of SPV (special project entity) to carry out investment, and foreign-invested equity investment enterprises are allowed to open accounts in banking financial institutions where the SPV (special project entity) is located.

Chapter V Supporting Policies

Article 24 In the case of compliance with relevant laws and regulations, the Pilot Free Trade Zone is encouraged to issue relevant support policies such as rewards for the settlement of foreign-invested equity investment enterprises, subsidies for office buildings, and rewards for economic contributions. Relevant departments should actively guide and encourage foreign-invested equity investment enterprises to invest in enterprises in Anhui Province.

Article 25 Senior management talents of foreign-invested equity investment enterprises can apply for relevant talent planning projects in Anhui Province according to regulations, and those selected can enjoy corresponding preferential policies.

Article 26 For foreign-invested equity investment enterprises with good operating conditions, more convenient foreign exchange receipts and payments management measures may be explored in the future.

Chapter VI Risk Prevention and Control

Article 27 The people's governments of Hefei City, Wuhu City, and Bengbu City shall implement risk prevention and disposal responsibilities, do a good job in the prevention and control and disposal of financial risks of domestic and foreign-invested equity investment enterprises, and prevent and crack down on foreign-invested equity investment enterprises Engaging in illegal financial activities such as illegal fundraising in name.

Article 28 Foreign-invested equity investment enterprises shall report to the provincial and municipal local financial supervision and management departments and the Hefei Central Sub-branch of the People's Bank of China on the following major matters in the investment operation process every six months:

(1) Investment operations;

(2) Changes in equity structure adjustments;

(3) Revising important legal documents such as the company's articles of association and partnership agreement;

(4) Changes in the company's directors, supervisors and senior executives;

(5) Other matters required by the local financial supervision and management department.

Article 29 The Provincial Development and Reform Commission, the Provincial Department of Commerce, the Provincial Market Supervision and Administration Bureau, the Provincial Local Financial Supervision and Administration Bureau, the Hefei Central Sub-branch of the People's Bank of China, the Anhui Branch of the State Administration of Foreign Exchange, and the Anhui Securities Regulatory Bureau and other departments shall, according to the division of responsibilities, Strengthen the daily supervision and management of foreign-invested equity investment enterprises, establish a credit-based supervision mechanism for pre-credit verification, classified supervision during the event, and joint rewards and punishments after the event, and carry out joint supervision and dynamic supervision. If a foreign-invested equity investment enterprise violates the provisions of these measures, the relevant department shall conduct an investigation according to its duties. If the situation is true, it shall be ordered to make corrections within 30 working days; If so, it shall be transferred to the judicial department for investigation of criminal responsibility according to law.

Article 30 The provincial private equity fund industry association and other industry self-regulatory units should improve the operation mechanism of the industry association, provide membership services, give full play to the self-regulatory management function of the industry, and supervise and guide foreign-invested equity investment enterprises to operate in a standardized and legal manner.

Chapter VII Supplementary Provisions

Article 31 Investors from the Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan, as well as Chinese citizens residing abroad, invest in and establish foreign-invested equity investment enterprises in Anhui Province, referring to these measures.

Article 32 These Measures shall be interpreted by the Provincial Local Financial Supervision and Administration Bureau.

Article 33 These Measures shall come into force on the date of promulgation.