

ECONOMIC RIGHTS

This summary highlights the provisions of the Law of the People's Republic of China on the Autonomy of Ethnic Areas (the "PRC Autonomy Law") and the corresponding implementing regulations in the Tibetan autonomous prefectures and the Tibetan Autonomous Region that relate to economic rights of Tibetans, as well as other laws relating to economic rights of Tibetans in the Tibetan Autonomous Region and Tibetan autonomous prefectures.

A. National.

1. ***Law of the People's Republic of China on the Autonomy of Ethnic Areas (the "PRC Autonomy Law")*** (effective October 1, 1984; adopted on May 31, 1984 by the Second Session of the Sixth National People's Congress and amended on February 28, 2001 by the 20th Session of the Standing Committee of the Ninth National People's Congress).

(a) Autonomy agencies, in accordance with laws, shall determine the ownership of and the right to use pastures and forests in the area. Autonomy agencies shall protect and build grasslands and forests, and organize and encourage the planting of trees and grass. No organization or individual may use any measures to destroy pastures or forests. It is forbidden to destroy grasslands or forests to create cultivated land.

(b) Autonomy agencies, in accordance with laws, shall manage and protect the natural resources of the area. With respect to natural resources that may be developed by the local areas, autonomy agencies shall have priority in the rational development and use of natural resources in accordance with laws and the uniform plan of the state.

(c) Autonomy agencies shall arrange local infrastructure projects independently under the direction of the state plan and based upon the local financial, material and other specific conditions.

(d) Autonomy agencies shall independently manage the enterprises and undertakings that report to them.

(e) Autonomous regions may develop foreign economic and trade activities. Such regions may open foreign trade ports with the approval of the State Council. Regions that share a border with foreign countries may, upon the approval of the State Council, develop border trade. Such regions shall enjoy preferential policies of the state with respect to their foreign economic and trade activities.

(f) The finances of autonomous regions shall be level one finances and part of the finances of the state. Autonomy agencies shall have the autonomous right to manage local finances. Revenues that belong to the autonomous

regions in accordance with the state finance system shall be arranged or used by the autonomy agencies independently. Autonomous regions shall enjoy special consideration by the higher level finance agencies through the uniform financial transfer and expenditures system of the state under the national unified financial system. The expenditure budget shall include contingency funds in accordance with state provisions, and the percentage of contingencies in the budget shall be higher than the percentage for ordinary regions. During the implementation of the financial budget, autonomy agencies shall independently arrange and use excess revenues and savings from expenditures.

(g) When implementing the national tax laws, except for exemptions from or reductions of tax items that require the uniform approval of the state, with respect to certain tax items in the financial revenues of the locality for which there should be special consideration and encouragement, autonomy agencies may grant exemptions from or reductions of such items.

(h) Autonomous regions, in accordance with laws and based upon the needs of social and economic development in the locality, establish local commercial banks and township (village) credit cooperatives.

(i) The state shall, in accordance with uniform plans and market demand, give priority to the rational arrangement of natural resource development projects and basic infrastructure projects in autonomous regions. In major infrastructure projects, the state shall appropriately increase its percentage of investment and policy-required bank loans. With respect to infrastructure projects organized by the state in autonomous regions, if the autonomous region is required to provide matching funds, the state may, in accordance with differing circumstances, reduce or eliminate the requirement for matching funds.

(j) In accordance with the special characteristics and needs of the development of the economy in autonomous regions, the state shall comprehensively use the currency market and capital markets to increase the financial support to autonomous regions. Financial institutions shall give special support to reasonable capital needs for the development of natural resources and other economic aspects of fixed asset investment projects in the autonomous region and enterprises in the autonomous region that comply with state industrial policies. The state encourages commercial banks to increase lending to autonomous regions and actively support the reasonable capital needs of local enterprises.

(k) Higher level state agencies shall, in accordance with ethnic group trade policies and the needs of the autonomous region, give support in investment, finance, tax and other aspects to commercial, supply and medical enterprises in the autonomous region.

(l) The state shall formulate preferential policies to support the development of foreign economic and trade activities of autonomous regions, expand the foreign trade powers of production enterprises in the autonomous region, encourage the

export and development of locally produced products and implement preferential border trade policies.

(m) Higher level financial departments shall gradually increase the financial transfer and expenditures dynamics for the autonomous region, and through various measures increase the capital investment in autonomous regions to speed up social progress and economic development and gradually reduce the disparities with more developed areas.

(n) Higher level state agencies shall support the improvement of the production conditions of the agriculture, animal husbandry and forestry industries, as well as water, transportation, energy, communications and other infrastructure.

(o) When the state develops natural resources or carries out construction in autonomous regions, the state shall consider the interests of the autonomous region and make arrangements that benefit the economy of the autonomous region and give consideration to the production and lives of the local minorities. The state shall take measures to give certain compensation for natural resources that are transported out of autonomous regions.

2. ***Certain Provisions of the State Council on the Implementation of the Law of the People's Republic of China on the Autonomy of Ethnic Areas*** (effective May 31, 2005; adopted on May 11, 2005 by the 89th Standing Committee of the State Council).

The following is a summary of the key provisions on economic matters in these Provisions.

(a) When the people's governments at the higher levels and their departments-in-charge formulate medium to long-term economic and social development plans, they shall listen to the opinions of the autonomous areas of ethnic groups and the departments for ethnic work and shall, in accordance with the special characteristics and needs of the autonomous areas, support and help these areas to strengthen their basic infrastructure and human capital resources, expand opening to the outside world, adjust and improve economic structures, rationally use natural resources, strengthen the construction of the ecology and environmental protection, speed up the development of economic, educational, scientific, cultural, public health and sports enterprises and implement development that is complete, coordinated and capable of being continued.

(b) The provisions provide that the state implements the opening and development of the Western Region and promotes the speedy development of autonomous areas.

(c) The people's governments at higher levels shall, in accordance with the actual circumstances of an autonomous area, give priority to arranging infrastructure projects for those areas. The autonomous areas are required to bear matching funds. The ratio of matching funds shall be appropriately reduced.

Matching funds may be waived for impoverished counties and those counties which are truly unable to bear them.

(d) The state shall, in accordance with the economic and social development plans and the Western Region development policy, give priority to arranging resource development and processing projects in autonomous areas. In areas where oil or gas resources are developed, the local economy and corresponding service industries shall be developed and employment promoted.

When allocating the use of mining resource royalties levied and collected by the state, the state shall increase investment in autonomous areas and shall give priority to considering the autonomous areas where the resources were produced.

(e) Reasonable compensation shall be given to autonomous areas that have contributed to the protection of wildlife and fauna, the establishment of natural protected areas and the protection of the ecological environment.

(f) The state shall set up special funds to support the development of all types of economic and social businesses in autonomous areas.

The central finance departments shall set up minority development funds and funds for ethnic work. The funds shall be gradually increased in step with the development of the economy and increases in the financial revenues of the central government. The local finance departments shall set up corresponding funds.

(g) The state shall complete and perfect preferential policies for the support of ethnic trade and the development of the production of products needed by minorities and traditional hand made products. This trade and production shall be given special attention from a tax, capital and financial policy perspective.

(h) The state encourages autonomous areas to interact with foreign countries on the border to develop economic and technical cooperation and border trade.

Upon the approval of the State Council, border trade areas may be established.

The state shall adopt flexible measures and grant preferential treatment and conveniences for trade between border areas and the neighboring foreign states and mutual market trade between people in border areas.

(i) The state shall strengthen support and development of impoverished autonomous areas by supporting water and electricity supplies, building roads and broadcasting, renovating homes and other major basic infrastructure.

(j) The state encourages, supports and guides autonomous areas to develop a non-state owned economy and encourages capital of society to participate in infrastructure, public utilities and other construction projects.

(k) The state organizes and supports economically developed areas to help corresponding (*duikou*) autonomous regions.

3. ***Telegraphic Notice of the State Pricing Bureau, the People's Bank of China and the Ministry of Commerce on the Price of Gold or Silver Decorative Goods Provided to Minority People*** (January 23, 1980).

This Notice was issued in response to queries from several provinces as to whether the prices for gold and silver goods for minorities should be adjusted since prices had increased for gold and silver goods that are sold to foreigners by the Friendship Stores. The Notice stipulates that the sales prices of gold and silver specially provided to minorities to make decorative goods are not to be changed, the sales prices for gold and silver decorative goods provided to minorities are not to be changed, and such gold and silver goods are to be provided to minorities only and may not be supplied to Han Chinese, foreigners or overseas Chinese.

4. ***Letter of the General Office of the Ministry of Labor on Giving Special Consideration to Minority Areas in respect of Labor Matters*** (Laobantinghanzi (1991) No. 11, April 8, 1991).

(a) The letter sets forth the following preferential labor policies for minority autonomous regions:

(i) Since the State Council's issuance in 1986 of the Interim Provisions on the Recruitment of Workers by State Enterprises, in formulating the implementing rules, the autonomous regions and other provinces where minority nationalities are concentrated have implemented the following preferential policies regarding the employment and recruitment of minority children: (1) minimum standards for recruitment have been lowered, (2) where all conditions are equal, minorities will have priority in employment, and (3) if there is natural attrition, priority will be given to hiring minorities.

(ii) Units in which the number of Han persons are the majority shall provide a Hui canteen for the Hui people (including minority workers who are Muslim). If units do not have the conditions to provide a canteen, they may grant food subsidies to the Hui people.

(iii) In light of certain special circumstances of autonomous regions and their needs, the Ministry has adopted flexible labor and wage policies.

(iv) With respect to the training of skilled workers, the Reply of the Ministry of Labor and Personnel on Allowing Minority Students from Rural and Pastoral Areas to take Entrance Exams for Vocational Schools, Laorenpei (1985) No.41, provides that minority students in rural and pastoral areas who satisfy the enrollment requirements may take entrance exams for vocational schools. If they study at vocational schools in their own autonomous region, their residence registration and grain rations shall be handled on the strength of the admissions letter from the bureau of labor

and personnel of the autonomous region. If they study at provincial and municipal vocational schools outside the autonomous region and return to the autonomous region for work assignments after graduation, there is no need to transfer their official residence registration. The students shall bring with them nationally-accepted grain coupons and the area where training is provided on an agency basis shall be their temporary household and shall supply grain rations on the strength of nationally-accepted grain coupons.

(v) Article 27 of the Enrollment Provisions of Vocation Schools, Laopeizi (1990) No. 13, stipulates that vocational schools in minority areas shall enroll a certain percentage of minority students and may appropriately relax the admissions score standards.

(vi) The Enrollment Measures of Tianjin Professional and Technical Normal School for 1991, Laopeizi (1991) No.3, stipulates that appropriate consideration shall be given to the nine remote provinces and autonomous regions (Inner Mongolia, Xinjiang, Qinghai, Gansu, Ningxia, Guizhou, Yunnan, Guangxi and Tibet) specified by the State Education Commission, and that where all conditions are equal, minority candidates shall be given priority in admission.

5. ***Provisions on the Management of Subsidies for Minority Areas*** (issued on July 7, 1979 by the State Ethnic Affairs Commission and the Ministry of Finance).

Subsidies for minority areas are included each year in the national budget and are to be used as special funds to resolve special expenses of minorities. Such subsidies shall be mainly used for supplementary expenses where minorities face special difficulties in the areas of development of production, culture, education, medical care and health. Some consideration shall also be given to using the subsidies for livelihood and other special difficulties faced by minorities. The subsidies are to be used for special purposes only. No region may reduce its normal budget because of the subsidies.

6. ***Report by the Ministry of Commerce on Certain Issues in the Further Development of Commerce in Minority Areas*** (issued on July 1, 1985 by the Office of the State Council).

The Report notes that commerce in minority areas is still relatively backward and that it is necessary to continue to give support and to implement special preferential policies. The Ministry of Commerce suggests several measures to strengthen commerce in minority areas, including: (i) to exempt or reduce taxes for certain enterprises; (ii) to subsidize the prices of a small number of important industrial, agricultural, pastoral and local products; (iii) to give consideration to trade enterprises that have insufficient capital; (iv) to provide low interest rate loans to ethnic trade enterprises; (v) to specially arrange the supply of goods that are in short supply (bicycles, sewing machines and wrist watches); (vi) to further help the construction of commercial networks in minority areas; (vii) to strengthen the training of commercial workers in minority areas; (viii) to actively develop collectively owned or individually owned

commercial enterprises; (ix) to actively develop the production of products for minorities; and (x) to strengthen the leadership over such work.

7. *Notice on the Request of the State Ethnic Affairs Commission and the Leading Team on the Economic Development of Impoverished Areas of the State Council Regarding Policy Issues in the Work of Supporting Impoverished Areas in Minority Areas* (issued on August 28, 1989 by the State Council).

(a) The Request notes that of the 331 impoverished counties supported by the state, 141 of them are minority counties (or 42.6%) . The poverty problem is still serious in such areas. The causes for poverty in these areas are many — the natural conditions are bad (*i.e.*, harsh physical conditions and poor production and living conditions), the uneven development and growth of society (*e.g.*, subsistence living, nomadic lifestyle, educationally backward and high illiteracy rates) and the isolation and remoteness of areas, and a weak economic base. If the basic needs of the masses in impoverished minority areas are not quickly resolved, the problem can easily turn into an ethnic issue. Moreover, some minorities live in border areas, their poverty may affect the stability of the border and the State's international reputation. Therefore, the poverty issue is not only an economic problem, but also a political problem.

(b) To solve the problem, it is suggested that (i) the governments at all levels shall continue to pay attention to the work of developing impoverished minority areas; (ii) the efficiency of the use of capital shall be improved; (iii) the growth of the population shall be controlled and the quality of the population shall be improved; (iv) the relevant departments in the central government shall continue their special support of impoverished minority areas; (v) the provinces and autonomous regions shall relax control over the rural, forestry, pastoral and industrial enterprises in impoverished counties; and (vi) the Party's trade policy for ethnic peoples shall be fulfilled and ethnic trade enterprises shall enjoy low interest rate loans, low taxes and price subsidies for agricultural and supplementary products sold by ethnic trade enterprises, as well as industrial products needed by minorities for production and living.

(c) There are also some special policy issues that need to be solved, including (i) developing strong industries; (ii) opening the sale of agricultural and other products; (iii) reducing the burden of minority impoverished areas (*e.g.*, reductions of or exemptions from taxes, extending the dates for repayment of loans or suspending the payment of interest, exempting areas from the obligation of buying State treasury bonds, and allowing areas to retain any taxes collected in excess of the amounts to be remitted to the central government); and (iv) establishing a fund for impoverished minority areas, which will derive its funds from the central finances, from a portion of the loans given to developed areas to jointly develop impoverished areas and from funds provided by the 141 impoverished areas, and which will be used for development projects that will really help these areas and strengthen the viability of undertakings.

B. Qinghai Province.

1. ***Autonomy Regulations of Hainan Tibetan Autonomous Prefecture*** (effective October 1, 1987; adopted on April 25, 1987 by the Second Session of the Eighth People's Congress of the Hainan Tibetan Autonomous Prefecture and approved on July 18, 1987 by the 27th Session of the Standing Committee of the Sixth People's Congress of Qinghai Province; and amended by the Decision of the People's Congress of the Hainan Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Hainan Tibetan Autonomous Prefecture, adopted on March 6, 2005 by the Sixth Session of the Eleventh People's Congress of Hainan Tibetan Autonomous Prefecture and approved on July 29, 2007 by the 17th Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

(a) These Regulations implement the corresponding provisions in the PRC Autonomy Law while incorporating the political, economic and cultural characteristics of the Hainan Tibetan Autonomous Prefecture.

(b) The autonomy agency/agencies shall independently arrange and manage the economic development of the prefecture, under the state economic and social development plans and corresponding policies and measures that have been formulated, taking into account the actual circumstances of the prefecture. When the autonomy agencies are arranging basic infrastructure projects, they shall submit a request to higher state agencies for the approval of a reduction or waiver of the obligation to provide matching funds.

(c) The autonomy agencies shall reasonably adjust production relationships and economic structures according to laws and regulations as well as characteristics of the local economy. The agencies are to maintain the state-owned system as the mainstay of the economy while using basic economic systems with various ownership systems and shall encourage and guide the development of a non-state owned economy.

(d) The Regulations also contain provisions on the prefecture's right to develop a diversified economic structure. The autonomy agencies shall increase their efforts to adjust the structure of the agricultural and animal husbandry industries and the economic structure of rural villages and pastoral areas, implement technology that renovates these industries and promote industrialization of the agricultural industry. The goal is to increase overall benefits, reduce the burden of farmers and herdsmen and increase their revenues.

(e) The autonomy agencies shall protect and manage natural resources, including the prefecture's land, grasslands, forests, mines, rivers, lakes and wildlife and fauna in accordance with law. The autonomy agencies shall, in accordance with laws and regulations, determine the ownership rights and use rights of grasslands, land and forests in the prefecture. No entity or person may use any means to destroy the land, grasslands or forests. The illegal activities of destroying grasslands, forests or land resources will be strongly stamped out.

(f) The autonomy agencies shall encourage collectives and individuals to create fields on the riverbanks of the Yellow River under the guidance of a uniform plan.

(g) The autonomy agencies shall increase their efforts to assist poor areas and the poor and shall actively seek out support offered by the state and the people's governments at higher levels in the areas of finance, goods and materials, technology and human capital and shall help poor areas and the poor to shake off poverty as soon as practicable and become more healthy. The agencies shall increase their assistance in low-income areas within the realm of financial affairs, tax and financial credit.

(h) The autonomy agencies shall use great efforts to promote enterprise reform and management innovation, actively promote the share ownership system, carry out diversified investment, and in accordance with the needs of a modern enterprise system, implement the Company Law and complete and perfect a legal person governance structure. The agencies shall encourage, support and lead the development of a non-state owned economy.

(i) The autonomy agencies shall pay attention to the development of the production of minority goods, and shall give encouragement and support in capital, tax and the supply of raw materials.

(j) The autonomy agencies shall encourage enterprises and institutions to develop economic and technical cooperation with enterprises and institutions of economically developed areas.

The autonomy agencies shall formulate preferential policies to encourage the investment of outside capital and the development of economic and technical cooperation.

(k) The autonomy agencies shall actively develop foreign economic trade, fully utilize the preferential policies of the state and encourage the development of the export of superior products of the prefecture. Any foreign exchange that is earned shall be arranged and used by the prefecture itself.

(l) The autonomy agencies shall focus on developing the tourism industry, increase investment in the basic infrastructure for the tourism industry, attract the capital of the people, develop tourism with special characteristics and strengthen historical and cultural heritage and protect, manage and develop the use of the natural scenery to make the tourism industry one of the new major strengths of the economy.

(m) The autonomy agencies shall in a unified manner manage the finances of the prefecture, independently adjust its budget and arrange and use excess revenues and savings from expenditures.

(n) When the autonomy agencies implement the state tax laws, except for items of tax the reduction or waiver of which is uniformly approved by the state, projects that require additional tax consideration and support from the prefecture's finances and revenues shall, upon the approval of the Qinghai Provincial People's Government, receive a reduction or waiver of taxes.

State agencies at the higher levels that develop and use water, mining and forestry resources in the prefecture and establish other enterprises shall give the prefecture a certain portion of the royalties to support the development of the economy of the area and give consideration to the production and lives of the local masses.

(o) In accordance with the needs of the economic and social development of the prefecture, the autonomy agencies shall establish, in accordance with laws and regulations, local commercial banks and agricultural credit cooperatives, increase the investment in fixed asset projects and increase the level of support for enterprises in compliance with state industrial policies.

2. ***Autonomy Regulations of Haibei Tibetan Autonomous Prefecture*** (effective October 1, 1987; adopted on April 25, 1987 by the Second Session of the Eighth People's Congress of the Haibei Tibetan Autonomous Prefecture and approved on July 18, 1987 by the 27th Session of the Standing Committee of the Sixth People's Congress of Qinghai Province; and amended by the Decision of the People's Congress of Haibei Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Haibei Tibetan Autonomous Prefecture adopted on January 6, 2004 by the Fifth Session of the Eleventh People's Congress of Haibei Tibetan Autonomous Prefecture and approved on September 25, 2004 by the Twelfth Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

The Haibei Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) In deserts, semi-desert, forest areas or grasslands where there is serious desertification, soil erosion and other ecological dangers, mining excavation and other activities that harm grassland resources shall be prohibited.

(b) The autonomy agencies shall strengthen fire protection work and shall ensure that the fire protection work is suitable for the economic and social development.

(c) The autonomy agencies shall, in accordance with laws, protect and manage mineral resources. The casual excavation of mineral resources is prohibited.

In accordance with relevant laws and regulations, the prefecture shall carry out adjustments of mining tax amounts and levels that are payable by mining enterprises within the ranges approved by the relevant departments of the state.

(d) The autonomy agencies shall strengthen the unified planning and management of the construction of towns, and in a planned manner develop rural towns to become local centers of government, economy and culture.

3. ***Autonomy Regulations of Huangnan Tibetan Autonomous Prefecture*** (effective March 1, 1988; adopted on October 12, 1987 by the Second Session of the Ninth People's Congress of the Huangnan Tibetan Autonomous Prefecture and approved on December 26, 1987 by the 30th Session of the Standing Committee of the Sixth People's Congress of Qinghai Province; and amended by the Decision of the People's Congress of Huangnan Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Huangnan Tibetan Autonomous Prefecture adopted on February 27, 2004 by the Sixth Session of the Twelfth People's Congress of Huangnan Tibetan Autonomous Prefecture and approved on September 25, 2004 by the Twelfth Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

The Huangnan Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The Regulations include provisions encouraging autonomy agencies to strengthen production safety and to guarantee the health and safety lives of workers.

The autonomy agencies will pay attention to social security enterprises, perfect a social security system, and encourage the support of the poor, aged and disabled.

(b) The autonomy agencies shall pay attention to fostering the building industry and survey and design consultancies, support the development of real estate, construction procedures, strengthen the quality of construction, supervise production safety, perfect the tender process and guarantee the quality and safety of construction.

4. ***Autonomy Regulations of Yushu Tibetan Autonomous Prefecture*** (effective July 25, 1988; adopted on November 19, 1987 by the Third Session of the Seventh People's Congress of the Yushu Tibetan Autonomous Prefecture and approved on April 20, 1988 by the Second Session of the Standing Committee of the Seventh People's Congress of Qinghai Province; and amended by the Decision of the People's Congress of the Yushu Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Yushu Tibetan Autonomous Prefecture adopted on April 27, 2005 by the Sixth Session of the Tenth People's Congress of Yushu Tibetan Autonomous Prefecture and approved on November 26, 2005 by the 19th Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

The Yushu Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The autonomy agencies shall strengthen the establishment of the *Sanjiangyuan* nature reserve, protect and improve the ecological and living environment, strengthen the forecasting and warning work for the ecological environment and prevent pollution and other calamities and shall cause environmental protection and economic development to develop together and shall gradually cause the coordinated development of the population, resources and the environment.

(b) The autonomy agencies shall pay attention to resolving the follow-up industrial development issues of migrants, as well as their livelihood sources and basic living conditions.

5. ***Autonomy Regulations of Guoluo Tibetan Autonomous Prefecture*** (effective January 1, 1991; adopted on April 16, 1990 by the Sixth Session of the Eighth People's Congress of Guoluo Tibetan Autonomous Prefecture and approved on November 3, 1990 by the 17th Session of the Standing Committee of the Seventh People's Congress of Qinghai Province; and amended by the Decision of the People's Congress of the Guoluo Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Guoluo Tibetan Autonomous Prefecture adopted on April 24, 2005 by the Sixth Session of the Tenth People's Congress of Guoluo Tibetan Autonomous Prefecture and approved on November 26, 2005 by the 19th Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

The Guoluo Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The autonomy agencies shall enact measures to prevent overgrazing and grassland erosion.

(b) The autonomy agencies shall prohibit the capture of wild animals that are protected by laws or regulations and shall adopt appropriate resources to limit and reduce human activity in areas where wild animals legally roam freely.

(c) The autonomy agencies shall, under the support of the state agencies at the higher levels, strengthen the protection of the Yangtze River, Yellow River, lakes and other important natural reserves within the province, prevent pollution and other harms, safeguard the ecological balance and improve the ecological environment.

(d) The autonomy agencies shall, under the support of the state, actively develop a specialty tourism industry, cultivate, develop and use local scenery, religious culture and the *Sanjiangyuan* and other areas with special characteristics and ethnic group characteristics as tourism resources.

(e) The autonomy agencies shall actively seek to obtain an allocation of all preferential loans, donations (gifts) and free (without charge) international projects arranged by the state agencies at higher levels from international financial organizations and foreign governments to promote the development of education, public health, the support of poor areas and the protection of the ecological environment and other areas.

6. ***Autonomy Regulations of the Haixi Mongolian and Tibetan Autonomous Prefecture*** (effective October 1, 1987; adopted on June 5, 1987 by the Second Session of the Eighth People's Congress of Haixi Mongolian and Tibetan Autonomous Prefecture; approved on July 18, 1987 by the 27th Session of the Standing Committee of the Sixth People's Congress of Qinghai Province; and first amended on March 18, 1992 by the Second Session of the Ninth People's Congress of the Haixi Mongolian and Tibetan Autonomous Prefecture, and approved on August 28, 1992 by the 28th Session of the Standing Committee of the Seventh People's Congress of Qinghai Province; and further amended by the Decision of the People's Congress of the Haixi Mongolian and Tibetan Autonomous Prefecture Concerning of the Amendment of the Autonomy Regulations of Haixi Mongolian and Tibetan Autonomous Prefecture adopted on March 3, 2005 by the Sixth Session of the Eleventh People's Congress of the Haixi Mongolian and Tibetan Autonomous Prefecture and approved on July 29, 2005 by the 17th Session of the Standing Committee of the Tenth People's Congress of Qinghai Province).

The Haixi Mongolian and Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The autonomy agencies shall support the principles of unified planning, rational distribution, comprehensive development and conservative use to guarantee the mining of mineral resources in accordance with law. Mining resources that can be developed by the local area shall be given priority in development and use.

The autonomy agencies shall gradually establish a large scale resources market, actively develop the economy cycle and promote the scientific development of mining resources.

Taxes shall be levied for the exploration and extraction of resources in the prefecture. The amount and standard of resources taxes payable by mining enterprises may be adjusted upon the approval of the state agencies at higher levels and within the ranges stipulated in the state tax laws.

The autonomy agencies shall enjoy compensation from the state agencies at higher levels for resources that are transported out of the prefecture.

State agencies shall strengthen resource exploration work and increase the conservation of resources so as to guarantee the continued development and supply of resources.

The autonomy agencies shall use great efforts to develop and support the development of poor areas, shall diligently implement all the support policies of the state on poor rural or pastoral areas, improve the water, electricity, roads and other production and living facilities of poor villages and help develop the economy of the poor and eradicate poverty.

(b) The autonomy agencies shall emphasize the development of the tourism industry, strengthen construction of tourist facilities, rationally develop minority scenic locations, ancient sites, natural scenery and other tourism resources and actively attract domestic and foreign tourists and investors.

(c) The autonomy agencies shall actively implement employment policies, improve labor markets and service systems and promote full employment.

(d) The autonomy agencies shall strengthen labor safety and production safety and shall guarantee the safety and lives of workers.

(e) The autonomy agencies shall establish and perfect basic pension, basic health, unemployment, work injury, birth and other security systems for workers and implement a minimum standard of living system for the population in towns and townships. The system shall be gradually implemented to cover pensions, health insurance and minimum standard of living systems for rural and pastoral areas.

C. Sichuan Province.

1. ***Certain Provisions of Sichuan Province on the Implementation of the Law on the Autonomy of Ethnic Areas*** (effective January 1, 2007; adopted on August 31, 2006 by the 97th Session of the Standing Committee of the Sichuan Provincial People's Government).

(a) The people's governments of the Province, autonomous prefectures, autonomous counties and cities under the administration of autonomous counties shall set up a minority development fund, ethnic work fund, ethnic group assistance fund and development fund for ethnic groups that are dispersed and shall gradually increase funds in step with the increase of economic development and financial revenues.

(b) The provincial people's government shall not share in the various taxes of autonomous areas such as value added taxes (local portion), business taxes, individual income taxes (local portion), resources taxes, property taxes, stamp duties, township land use taxes and document taxes.

With respect to construction projects that cross over autonomous areas, the autonomous areas shall be entitled to share in the local tax revenues of such project in accordance with the relevant provisions of the Provincial People's Government.

(c) If the people's governments at higher levels arrange grants and preferential loans from international organizations or foreign governments, where the conditions permit, they shall lean towards the autonomous areas.

The people's governments at higher levels shall, in accordance with the needs of economic and social development, encourage and support the establishment by autonomous areas of local commercial banks and city/village credit cooperative organizations.

(d) The people's governments at higher levels shall formulate special policies and measures to support ethnic trade, the production of products needed by ethnic groups and traditional handicrafts and shall support the development by autonomous areas of foreign trade.

(e) The Provisions contain provisions regarding assistance by the people's governments at higher levels for the development of rural infrastructure, environmental protection, urban planning and protection of natural or historic sites, and basic infrastructure such as transportation, posts and telecommunications, and support for forestry industries, water resources, natural and man made tourism resources.

(f) The people's governments at higher levels shall support the implementation of projects for the comprehensive use of electricity (in lieu of firewood), solar energy, methane gas, geothermal, wind, etc. energy.

(g) The people's governments at higher levels shall increase capital investment in land development, restoration of land for cultivation and earthquake prevention projects and strengthen the survey, exploration and long term evaluation of mining resources of autonomous areas.

Mining royalties, use fees for exploration or excavation (other than the portion remitted to the state) shall be used by autonomous areas for the protection, exploration and development of mining resources.

2. ***Autonomy Regulations of Ganzi Tibetan Autonomous Prefecture*** (effective July 12, 1986; adopted on June 4, 1986 by the Third Session of the Fifth People's Congress of the Ganzi Tibetan Autonomous Prefecture and approved on July 12, 1986 by the 20th Session of the Standing Committee of the Sixth People's Congress of Sichuan Province; and amended by the Decision of the People's Congress of the Ganzi Tibetan Autonomous Prefecture Concerning the Amendment of the Autonomy Regulations of Ganzi Tibetan Autonomous Prefecture adopted on March 31, 2005 by the Second Session of the Ninth People's Congress of the Ganzi Tibetan Autonomous Prefecture and approved on March 31, 2006 by the 20th Session of the Standing Committee of the Tenth People's Congress of Sichuan Province).

The Ganzi Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The prefecture shall manage and control corporate taxes from enterprises located within their jurisdiction.

(b) The autonomy agencies shall enjoy greater autonomy in their use of the forestry fund for the development of forestry resources. With respect to the forestry fund earmarked for the prefecture, all of it will be kept in the prefecture and specifically used to restore and to develop forestry resources.

(c) The autonomy agencies shall put into practice a land use management system and establish an integrated and unified land market. Land management in the prefecture shall be strengthened, a compensation system for the use of land and basic farmland protection systems shall be implemented. The people's governments at all levels must rationally use and protect land cultivation.

Of the land use compensation fees levied by the prefecture on new construction on land, apart from the portion to be remitted to the state, the balance shall be specifically used by the prefecture for the development of the cultivation of land.

(d) The prefecture guides and supports the establishment of a modern enterprise system and a complete and appropriate market competition enterprise management system. In order to create an outside environment of fair competition for enterprise production and operations, the prefecture shall build a full socialized services system for enterprises, encourage enterprises to participate in competition with

international markets and actively support and help enterprises in the prefecture to carry out technical reform.

(e) The prefecture shall implement and gradually perfect a principally macroeconomic market type pricing system, support and promote fair, open and legal market competition, safeguard the normal order of pricing and shall manage, supervise and if necessary make adjustments to pricing activities in accordance with law.

(f) The prefecture shall support and do a good job of rural credit societies and strengthen the ability to provide economic services to farmers, herdsmen, agricultural businesses and villages. In accordance with the needs of the development of the economy and society, they may establish local commercial banks and town/village credit cooperative organizations and other financial organizations.

The prefecture shall, in accordance with law, strengthen the construction of the credit system and improve the financial circulation system.

The prefecture supports the development of insurance enterprises.

3. ***Opinion of the People's Government of Ganzi Tibetan Autonomous Prefecture on Further Promoting the Development of Non-Profit Undertakings in the Prefecture*** (Ganfufa [2007] No. 21, issued on March 27, 2007).

(a) The Opinion was formulated to promote the development of non-profit undertakings in the prefecture and promote the harmonized development of Ganzi in accordance with relevant laws, and taking into account the actual circumstances of the prefecture.

(b) The development of non-profit undertakings shall be guided by the philosophies of Deng Xiaoping, the Three Represents theory and the decisions made by the Party with the goal of assisting elderly and disabled people, as well as saving orphans and the poor in order to satisfy their basic needs. The aim is to gradually establish a system of self-governing non-profit organizations that are promoted by the government, supervised by the civil affair departments, coordinate with government departments and receive participation from society.

The development of non-profit undertakings shall support the principles of supporting the poor, voluntarism, transparency and justice, promotion by the government and implementation by society.

(c) All media shall expand the publicity capabilities of non-profit undertakings. They shall adopt all types of measures to actively develop the publicity of non-profit undertakings in local communities, villages, agencies, enterprises and school activities; popularize charitable education; disseminate a culture of charity and promote a spirit of giving and strengthen charity within the public consciousness.

(d) The people's governments of each county shall actively encourage and support the establishment of special departments in charge of charitable

work under the leadership of the departments of civil affairs in order to strengthen the management of the non-profit undertakings and non-profit organizations. Each area shall, according to the actual local conditions, further mobilize the establishment of different types of non-profit organizations and gradually, within the prefecture, create a non-profit rescue/help network. By 2008, each county within the prefecture must establish non-profit organizations.

(e) Each county, village/township, and area residents committee shall establish work stations for the acceptance of donations from society in the ordinary course of business. Offices of the prefecture government that are outside the prefecture shall also establish liaison offices for the work of donations from society.

Non-profit organizations at all levels shall strengthen their systems and standardization, and establish a standardized and open financial and accounting management and information disclosure system.

(f) All public donation work in the prefecture shall be managed by the departments of civil affairs. Departments, organizations or social groups that have not been expressly stipulated by the State Council as having the ability to organize donations may not organize charitable donation activities outside the district, industry or department.

(g) Each non-profit organization at all levels shall be entrusted by the department of civil affairs with the responsibility for the day to day work involved in charitable donations activities and shall in particular be responsible for receiving donated items. Special receipts shall be used for accepting donated items and special bank accounts established.

(h) Non-profit organizations shall be responsible for periodically reporting to the public the status on how many donations have been received and how those funds are being allocated and used. Audit departments shall audit the receipt, allocation and use of donated items.

(i) Departments of civil affairs at the county level and above may allow deductions for donations before the payment of enterprise income tax or individual income tax, in accordance with the provisions of relevant tax policies and after the approval of the authorities in charge.

4. ***Autonomy Regulations of A Ba Tibetan and Qiang Autonomous Prefecture*** (effective July 12, 1986; adopted on May 21, 1986 as the Autonomy Regulations of A Ba Tibetan Autonomous Prefecture by the Fourth Session of the Fifth People's Congress of the A Ba Tibetan Autonomous Prefecture and approved on July 12, 1986 by the 20th Session of the Standing Committee of the Sixth People's Congress of Sichuan Province; adopted on January 5, 1988 as the Autonomy Regulations of the A Ba Tibetan and Qiang Autonomous Prefecture by the First Session of the Sixth People's Congress of the A Ba Tibetan and Qiang Autonomous Prefecture, and approved on March 16, 1988 by the Second Session of the Standing Committee of the Seventh

People's Congress of Sichuan Province; and further amended, effective August 18, 2006, which amendment was adopted on January 10, 2006 by the Fourth Session of the Ninth People's Congress of the A Ba Tibetan and Qiang Autonomous Prefecture and approved on July 28, 2006 by the 22nd Session of the Standing Committee of the Tenth People's Congress of Sichuan Province).

The A Ba Tibetan and Qiang Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The prefecture shall, in respect of its contributions in respect of transporting resources outside the prefecture for the construction of the state and the protection the ecological environment of the upper reaches of the Yangtze River and Yellow River, enjoy financial compensation from the state agencies at the higher levels to use for the protection and construction of ecological capabilities.

(b) The autonomy agencies shall use great efforts to promote new types of energy with gas or electricity as the principal alternative, reduce the use of fuels that are burnt and in terms of capital and technology, strive to obtain the support of the state agencies at higher levels.

(c) The autonomy agencies, under the control of unified state plans, shall implement a balanced system of use/compensation for the perpetual use or occupation of forest areas and shall approve projects. The prefecture shall enjoy state subsidy policies and support for converting fields into forests or pastoral areas and for planting trees (and grasses).

Funds for forestation collected within the prefecture shall remain in full in and be used by the prefecture.

If forestry and plant restoration fees are levied on construction or development projects that occupy forestry areas, the prefecture shall be entitled to the treatment of receiving more of a refund of such amounts than other areas, which funds will be specifically used for the development of the forestry industry and the construction of the ecological environment of the forestry industry.

(d) The autonomy agencies shall, in accordance with law, protect, manage, develop, use and rationally optimize the use of water resources and prevent harm to water resources. Economic organizations of all types and individuals both inside and out of the prefecture shall be encouraged to develop and use water resources for compensation, and to establish all types of water engineering projects.

(e) The prefecture shall implement a water permit system, levy and collect water resource fees, and except for the portion to be remitted to the state, the funds will stay in the prefecture, earmarked for use to conserve and protect water resources.

(f) The Regulations contain provisions for land resources and mineral resources similar to those for water resources.

(g) All types of economic organizations and individuals who invest in the prefecture shall complete business and tax registration in the prefecture and be under the jurisdiction of the prefecture in accordance with law and shall pay taxes in the prefecture.

(h) The autonomy agencies shall implement a pricing system with macro level adjustment but primarily with a market form and shall implement control, supervision and required adjustments for market pricing activities.

(i) If key construction projects that are in the administrative area of the prefecture or administrative areas cause a regular reduction in the collection of taxes or finances in the prefecture, the developer or the higher level financial departments shall compensate the prefecture and shall determine each item of taxes based on the size of the contribution of the resources and the construction period and post-construction period.

(j) The financial institutions in the prefecture shall, in accordance with state provisions, and the special characteristics and needs of economic development, expand credit support to special industries, basic infrastructure projects and superior natural resources development projects in the prefecture.

The financial institutions in the prefecture shall actively establish credit and lending businesses using beneficial interests in basic infrastructure projects or rights to collect and receive fees as collateral.

Financial institutions in the prefecture shall, according to actual circumstances, expand small credit loans to rural families and increase credit loans for rural/pastoral production projects.

5. *Notice of the People's Government of A Ba Prefecture Concerning Distributing the Master Proposal on Accelerating the Push for the Prosperity of Citizens and the Strength of the Prefecture of A Ba Tibetan and Qiang Autonomous Prefecture* (approved on January 10, 2008 by the Second Session of the Tenth People's Congress of A Ba Tibetan and Qiang Autonomous Prefecture, Afufa [2008] No. 1).

(a) The Proposal was formulated for the purpose of accelerating the push for the prosperity of citizens and the strength of the prefecture, further implementing the A Ba Tibetan and Qiang Autonomous Prefecture's Eleventh Five-Year Guideline for National Economic and Social Development, strengthening work objectives and measures and realizing the rapid development of the economy and society.

(b) Under the philosophies of Deng Xiaoping and the Three Represents theory, the prefecture shall implement technical development, focusing on ecological protection, strengthening industries, bringing in wealth from tourism and

stabilizing society. It shall continue to liberate thinking, adhere to the principles of reform and openness, and innovate and develop new theories, develop special industries, improve the basic infrastructure, increase and strengthen the ability to make people prosperous, promote the speedy development of county economies and build a new socialist A Ba that has a superior ecological environment, speedy developed economy, and a harmonious and stable society and further the unity of ethnic groups.

(c) The goals to be realized include:

(i) maintaining an economic growth rate of 13% and aiming to reach 15% so that by 2011, the value of local production will exceed 20,000,000,000 yuan;

(ii) annually increasing the disposable income of city/township residents and the average basic income of farmers by 14% and 16%, respectively, so that by 2011 they shall reach 16,731 yuan and 4,380 yuan, respectively;

(iii) increasing per capita estimated revenues, increasing the GDP share of the tourism industry and bringing the quality of the ecological environment above the provincial average;

(iv) increasing per capita GDP to 21,629 yuan, increasing industrial added-value to 8,490,000,000 yuan, financial revenues to 1,520,000,000 yuan, tourism revenues to 15,500,000,000 yuan and consumer spending to 4,730,000,000 yuan.

(v) maintaining population increases to 8% or lower and the unemployment rate in cities/townships to 4% or lower.

(d) The Proposal requires maintaining the principles of the priority of ecological protection and the scientific utilization of resources, strengthening the protection and construction of the ecological environment, implementing a new aspect of resource development, implementing a use for compensation system for resources, using great efforts to develop ecological economic and environmental protection industries, implementing ecological projects, promoting the construction of an ecological culture so that it leads to restoration of the ecology to a better state, the continued improvement of the environment, and an increase in the per capital public green space, forests or water areas and incessantly increasing and strengthening logistics so as to make new contributions to the ecological natural defenses of the upper reaches of the Yangtze River and Yellow River.

(e) The Proposal contains the key elements of the work such as creating an ecological culture, implementing ecological projects, protecting wetlands, promoting the control of desertification, ensuring that environmental protection achieves standards, developing a circular economy and fostering environmental protection industries.

(f) The Proposal also contains provisions on promoting the development of agricultural and pastoral industries by gaining a foothold in the road of the superiority of resources and the development of modern agricultural and pastoral industries with special characteristics, strengthening the agricultural base, developing a modern animal husbandry industry, developing a modern agricultural industry with special characteristics and an ecological forestry industry and promoting the development of industries in high and semi-mountainous areas.

(g) The prefecture shall promote the speedy development of industry. The prefecture shall do a good job of attracting and fostering enterprises, engage in major hydroelectric power industries, high capacity electronic industries, superior and green food products industries and industries that develop tourism product processing, and medical/pharmaceutical, building materials and mining enterprises.

(h) The development of a flourishing culture is also to be promoted. The main culture of ethnic groups is to be greatly promoted. There is to be an active development of the culture of local ethnic groups and customs with special characteristics, increased investment in public culture enterprises and the completion of a public culture services system to guarantee the basic cultural rights and interests of the masses of all ethnic groups and satisfy the needs of all types of culture.

(i) The Proposal contains provisions on development of society with the key element of improving people's lives. This is to be achieved by giving priority to the development of education, promoting technical renovations and human capital, promoting the merger and expansion of enterprises, speeding up the establishment of a social security system for city and village residents, exerting great efforts to develop public health enterprises and improving the level of health of all people, supporting poor areas and comprehensively preventing Kaschin-Beck disease.

(j) In addition, the Proposal contains provisions on overall planning of the development of towns and villages and other areas, the strengthening of basic infrastructure, maintaining reform and openness, and promoting the creation of new ventures/industries.

6. ***Implementing Measures of A Ba Tibetan and Qiang Autonomous Prefecture on the Guaranteed Minimum Standard of Living of Rural Residents*** (adopted on February 24, 2006 by the 35th Session of the Standing Committee of the People's Government of A Ba Tibetan and Qiang Autonomous Prefecture, Afufa [2006] No. 3).

(a) The Measures were formulated to effectively guarantee the basic living standards of extremely impoverished individuals living in rural areas, standardize efforts within the prefecture to provide a guaranteed minimum standard of living to rural residents, and guarantee the smooth implementation of these efforts.

(b) The term "guaranteed minimum standard of living of rural residents" as used in the Measures (the "System") means the system in which the

government gives assistance to low-income individuals whose permanent residences are in rural areas and whose average household income is lower than the local guaranteed minimum living standard (the “benchmark”).

(c) The implementation of the System shall be the responsibility of the people’s governments at all levels, but the prefectural and county governments shall be the principal agencies in charge.

The department-in-charge within the people’s government of the prefecture shall be responsible for establishing the System, organizing the implementation thereof and administering the System within its administrative area.

The financial departments of the people’s governments at the prefecture and county levels shall be responsible for raising funds, verifying payments and conducting supervision and management work. The department-in-charge of personnel of the people’s governments at the prefecture and county level shall be responsible for resolving the agency and work personnel required for developing the System.

The Measures set forth the duties and roles of various other departments at the prefecture and county levels.

(d) A resident who (1) maintains a rural residence in A Ba Prefecture, (2) together with the family members that live together with him have an average income and standard of living that is lower than the local benchmark and (3) meets one of the following requirements is eligible to apply for assistance:

(i) other than the “Five Guarantees,” the individual does not have a source of income, the ability to work or is a senior person, disabled person or minor without a legally prescribed caregiver or supporter or without a caregiver;

(ii) families who have lost their primary income earner(s) due to illness, disability or disaster and who cannot maintain their basic daily living needs;

(iii) individuals who do not have a home or land or any income;

(iv) low-income families whose income, despite the hard efforts of their family members, falls below the benchmark.

(e) The term “family members” as used in the Measures means persons who have a legally prescribed relation to raise and support the following persons:

(i) the relation of spouses with the parents of both spouses who live with them.

(ii) the relation of parents with their children, adopted children, stepchildren or children born out of wedlock who are minors; grandparents or grandparents-in-law with their minor grandchildren who have lost both parents;

(iii) the relation of parents with their children who do not have the ability to work or who have not completely lost their ability to work but who do not earn enough to cover their living costs and those children who are at school and do not have the ability or conditions to live on their own; and

(iv) relationships that comply with the provisions of the Marriage Law of the People's Republic of China and support relationships that are stipulated by law for persons whose income is not sufficient to support their basic living costs.

(f) The Measures define what constitutes income for purposes of determining whether a person is eligible for assistance under the System.

(g) The following persons are not eligible to participate in the System:

(i) persons who have normal working abilities but who refuse to work for no legitimate reason;

(ii) persons who by law have a duty to support others but who do not perform their obligations;

(iii) persons whose families own non-production facilities or goods (other than their basic living needs such as a home) (*e.g.*, they rent out buildings, own mobile telephones, air conditioners, motor vehicles or ornamental luxury items);

(iv) persons who have engaged in serious illegal activities such as gambling or drugs;

(v) persons who have separated households with the aim of participating in the System;

(vi) persons who, at the time of their application, have lived outside the area for one year or more (other than students who study outside the prefecture);

(vii) persons who have applied because their income is lower than the benchmark but whose actual living standard is clearly equal to or greater than the local benchmark; and

(viii) other persons who may not receive the benefit of the System as stipulated by other laws or regulations.

7. ***Autonomy Regulations of Muli Tibetan Autonomous County*** (effective March 13, 1992; adopted on March 18, 1990 by the First Session of the Seventh People's Congress of the Muli Tibetan Autonomous County and approved on March 13, 1992 by the 28th Session of the Standing Committee of the Seventh People's Congress of Sichuan Province; amended, effective August 3, 2006, which amendment was adopted on March 11, 2006 by the Fourth Session of the Tenth People's Congress of Muli Tibetan Autonomous County and approved on May 26, 2006 by the 21st Session of the Standing Committee of the Tenth People's Congress of Sichuan Province).

The Muli Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture. This summary only notes certain variances.

(a) The county shall, for the purpose of the ecological balance of the upper reaches of the Yangtze River, make contributions to implement the development and protection of the ecological environment and shall be entitled to financial compensation granted by the state agencies at higher levels.

(b) The financial institutions in the county shall, in accordance with laws and relevant regulations and the special characteristics and needs of the development of the economy of ethnic groups, give credit loans to special industries, basic infrastructure projects and the development of superior resources.

The autonomy agencies shall work hard to develop the insurance industry, and shall protect the legitimate rights and interests of insurers and insureds.

D. Gansu Province.

1. ***Certain Provisions of Gansu Province on the Implementation of the Law on the Autonomy of Ethnic Areas*** (effective July 1, 2006; adopted on September 20, 1988 by the Fourth Session of the Standing Committee of the Seventh People's Congress of Gansu Province; and amended on June 1, 2006 by the 22nd Session of the Standing Committee of the Tenth People's Congress of Gansu Province).

(a) These Provisions are substantially similar to the State Council Provisions summarized above.

(b) The subsidy fund ratio for infrastructure and basic industries and public interest projects in the autonomous areas shall be increased.

If an autonomous area cannot pay matching funds for state infrastructure projects, then the provincial government shall give support. For infrastructure projects arranged by the provincial government, matching funds shall no longer be required from autonomous areas.

(c) All types of means shall be used to quickly resolve issues relating to electricity, postal and telephone services and safe potable water in villages administered by autonomous areas.

(d) Loans for ethnic trade and production of products for ethnic groups shall benefit from preferential interest subsidy policies and the types of subsidies and scope of enterprises that are entitled to these policies shall be appropriately expanded.

(e) The provincial finances shall support the development of financial sources projects for autonomous areas and shall give them discounts for their loans.

(f) The minority subsidy fund, ethnic area economic development fund and special construction fund for pastoral areas set up by the provincial finance departments shall be increased on an annual basis following the increase in the province's finances.

The state finance department shall arrange matching funds for the financial assistance fund, development fund for poor areas of ethnic groups and minority development funds set up by the state finance department for autonomous areas.

If the finances of an autonomous area suffer difficulties in their normal operations, the provincial finance departments shall transfer payments or give temporary financial supplements to resolve the issue.

2. ***Autonomy Regulations of Gannan Tibetan Autonomous Prefecture of Gansu Province*** (effective September 27, 1989; adopted on August 7, 1989 by the Second Session of the 10th People's Congress of Gannan Tibetan Autonomous

Prefecture, and approved on September 27, 1989 by the 10th Session of the Standing Committee of the Seventh People's Congress of Gansu Province).

(a) The prefecture shall implement a policy with the pastoral industry as the mainstay, together with a combination of pastoral, agricultural and forestry industries, shall use great efforts to develop ethnic industries and village/township enterprises, shall support reform and openness and shall improve distributions so as to lead the masses to prosperity.

The autonomy agencies shall, under the guidance of state plans and in accordance with the infrastructure investment funds, special funds and development funds allocated by the state agencies at higher levels, taking into account the actual circumstances of the prefecture, independently arrange the basic construction of the prefecture. Basic construction projects of a productive nature and technical renovation projects carried out with self-raised funds shall not be subject to targets and, upon the approval of the state agencies at higher levels, shall be exempt from or be subject to reduced construction taxes.

(b) The autonomy agencies shall, in accordance with law, protect, manage and use the grassland, land, forestry, mines, rivers and other natural resources of the prefecture, protect precious and rare wildlife and fauna and restore and maintain an ecological balance. In paying profits or income taxes, 9% shall be refunded to the prefecture and paid as a certain resource compensation fee.

(c) The autonomy agencies shall guarantee the consolidation and development of the state economy. At the same time, all types of other ownership forms of the economy such as the collective economy, cooperative economy, individual household economy and privately operated economy shall be developed.

The autonomy agencies shall perfect the agricultural/pastoral area family production contracting system. Under the principle of voluntarism, agricultural/pastoral industries shall be guided towards specialization and their scope of operations expanded and their legitimate rights and interests shall be protected.

(d) The grasslands shall be operated through a contracting system.

(e) The autonomy agencies shall implement a long term immutable policy of different households raising different livestock, private ownership and raising of livestock, and autonomy in operations.

(f) The agricultural production structure shall be adjusted to gradually increase investment in agriculture, pay attention to the production of grains and oils, implement scientific planting, and improve the production acreage of units. Collectives and individuals shall be encouraged to develop breeding, processing, transportation, service and other planting businesses to develop the rural commodity economy.

(g) The forests shall implement a business direction of selling trees as the mainstay. The logging volume shall be less than the growth volume. Logging plans must first obtain the opinions of the prefecture people's government.

(h) The autonomy agencies shall supervise land in accordance with law. No unit or individual may illegally occupy, sell or arbitrarily change the use of land.

(i) The Regulations contain provisions on the exploration of water resources, the development of transportation and the post and communications industries.

(j) State owned industrial enterprises operated by the prefecture or county, as well as collective, individual and joint household industrial enterprises are all local ethnic industries and are entitled to the preferential consideration of the state agencies at higher levels.

The autonomy agencies shall respect and safeguard the right to autonomy of enterprises, help enterprises to do a good job of reform and deep renovation, lead them into a competitive system, improve operations and management, reduce costs, improve product quality and improve economic results.

(k) The autonomy agencies shall, in accordance with provisions of law and unified plans, give priority to the development and use of mineral resources in the prefecture that are capable of being developed. State owned, collective and individual mining operations shall be carried out only in approved areas and shall pay taxes and resource compensation fees in accordance with state tax laws and relevant provisions.

(l) The autonomy agencies shall support the development of village and township enterprises and protect the legitimate rights and interests of village/township enterprises.

Enterprises may, upon approval, repay loans from pretax income. If they have difficulty paying income tax, upon approval, they may be granted reductions or exemptions from tax. Those enterprises that use their own funds to carry out technical renovation projects shall be exempt from income tax for a certain period on newly increased profits after commissioning of the plant. Joint enterprises involving three or more households shall be treated as collective enterprises for the purposes of levying taxes.

(m) The autonomy agencies shall develop the production of export products and in accordance with state provisions develop foreign economy, technology and trade activities. The portion of foreign exchange that [is not remitted to the state] shall belong to the prefecture and the generating unit for their use and they shall be entitled to the preferential consideration of the province.

(n) The autonomy agencies shall give support to poor areas from the aspect of capital, human capital, material, technology and information services. The local people shall be encouraged to use their own efforts to renew, develop production and eradicate poverty.

(o) The transportation resources fund and cultivation of land tax levied and collected by the prefecture shall, except for the portion remitted to the higher levels, be left with the prefecture for its own use.

The portion of profits and income taxes paid by enterprises that do not belong to the prefecture or enterprises from outside the prefecture, as well as the share of profits of foreign invested enterprises, shall not be included in the financial base of the prefecture, shall not reduce the subsidies of the higher level finance departments and shall be used as development funds of the prefecture to be allocated and used by the prefecture.

(p) State banks in the prefecture shall implement “more deposits, more loans.” The deposits that exceed the planned portion shall not be subject to the limits of the lending plans. The amount of fixed asset loans and revolving loans and their repayment periods may be appropriately relaxed, preferential interest rates implemented and the ratio of self-raised capital for new construction projects may be appropriately reduced.

The prefecture may, in accordance with needs and upon the approval of the People’s Bank, establish financial institutions with ethnic characteristics, attract equity capital and arrange construction funds.

3. ***Autonomy Regulations of Tianzhu Tibetan Autonomous County of Gansu Province*** (adopted on March 8, 1987 by the First Session of the Eleventh People’s Congress of Tianzhu Tibetan Autonomous County and approved on April 17, 1987 by the 20th Session of the Standing Committee of the Sixth People’s Congress of Gansu Province; and amended, effective August 10, 2007, which amendment was adopted on December 14, 2006 by the First Session of the 16th People’s Congress of Tianzhu Tibetan Autonomous County and approved on July 27, 2007 by the 30th Session of the Standing Committee of the Tenth People’s Congress of Gansu Province).

(a) The autonomy agencies shall, in accordance with the special characteristics of the economic development of the county, develop a socialist market economy and encourage, support and guide the healthy and speedy development of a non-state-owned economy.

(b) The county shall use great efforts to support and develop the industrial economy, rationally use local resources, develop energy resources, metals and agricultural product processing industries and other industries.

(c) The county shall speed up the development of agricultural (pastoral), industrial, tourism and other superior resources projects and the construction of transportation, communications and ecological environment infrastructure. At the same time, the county shall enjoy a waiver of the matching funds requirement for projects

that the state agencies at the higher levels give priority for arranging such as resource development projects, infrastructure construction projects, public interest projects, projects for ethnic industries, as well as for pre-project expenses.

(d) Consistent with other similar Autonomy Regulations, these Regulations contain provisions on the agricultural industry, grasslands, forestry resources, transportation, and environmental protection.

E. Yunnan Province.

1. ***Measures of Yunnan Province to Implement the Law of the People's Republic of China on the Autonomy of Ethnic Areas*** (effective October 1, 2004; adopted on May 28, 2004 by the Ninth Session of the Standing Committee of the Tenth People's Congress of Yunnan Province).

(a) The state agencies at higher levels shall give priority to the arrangement of development projects and basic infrastructure projects in autonomous areas.

The ratio of matching funds to be undertaken by autonomous areas shall be reduced in respect of basic infrastructure and public interest projects arranged by the state agencies at higher levels. If autonomous areas are unable to give matching funds, they shall be exempted from providing such funds.

(b) If in implementing state and provincial unified policies on the reduction of or exemptions from tax, the financial revenues are reduced, the higher level financial departments shall give subsidies when calculating and transferring payments.

The portion of the central value added taxes remitted by autonomous areas to the higher level finance departments shall be refunded and all used in the autonomous area.

(c) When the people's governments at higher levels and their administrative departments and financial institutions arrange special loans or loans for poor areas, they shall give priority to the support of autonomous areas. Subject to the needs of the development of the economy and society, autonomous areas may, in accordance with the provisions of laws, help establish commercial banks and city/village credit cooperative organizations.

(d) The people's governments at higher levels shall help enterprises of autonomous areas to develop international economic and technical cooperation and to attract foreign supported projects and shall encourage foreign businesses to invest in autonomous areas.

(e) The people's governments at higher levels and their administrative departments shall help autonomous areas to develop a non-state owned economy and shall give support from a policy, capital and technology perspective.

(f) The Provisions also provide for the support of the higher level departments in charge of agriculture, technology, urban planning, transportation and so forth to support and help autonomous areas to develop their agricultural technologies, master plans for cities and townships, transportation projects and post and communications infrastructure.

(g) The people's governments at higher levels and their administrative departments shall give major support to the social security enterprises of autonomous areas and shall give consideration to them when allocating social security funds.

(h) The Provisions contain provisions on environmental protection, the protection and rational development and use of tourism resources and the development of water resources.

(i) If the financial revenues of an autonomous area are reduced because of the implementation of state policies on the protection of natural forests, the people's governments at higher levels shall give suitable compensation and establish a standardized compensation system.

2. ***Autonomy Regulations of the Diqing Tibetan Autonomous Prefecture*** (effective January 1, 1990; adopted on July 16, 1989 by the Fourth Session of the Seventh People's Congress of the Diqing Tibetan Autonomous Prefecture and approved on October 21, 1989 by the Eighth Session of the Standing Committee of the Seventh People's Congress of Yunnan Province; and amended, effective November 28, 2006, which amendment was adopted on August 15, 2006 by the First Session of the Eleventh People's Congress of the Diqing Tibetan Autonomous Prefecture and approved on September 28, 2006 by the 24th Session of the Standing Committee of the Tenth People's Congress of Yunnan Province).

The Diqing Tibetan Autonomous Prefecture Autonomy Regulations are substantially similar to those for the Hainan Tibetan Autonomous Prefecture.