

# The International Comparative Legal Guide to: Telecommunication Laws and Regulations 2010

A practical insight to cross-border Telecommunication Laws and Regulations



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## 1 Framework

### 1.1 What are the overall policies and objectives for the electronic communications industry and have these been published in draft or final form? What legislation is relevant to telecommunications and radio frequencies?

The overall objectives governing telecommunications policy are set forth in the *11th Five-year Plan* (covering 2006-2011) and the *2006 to 2020 National Informatization Development Strategy* and include developing more extensive telecommunications infrastructure coverage, significantly enhancing the capacity for technological innovation, adopting next-generation technologies, optimising the structure of the information technology industry, and improving information security.

### 1.2 Is China a member of the World Trade Organisation? Has China made commitments under the GATS/GATT regarding telecommunications and has China adopted the WTO Basic Telecommunications Agreement?

Yes, China's commitments under GATS/GATT allow for foreign investment in the telecommunications industry; however, these concessions still limit the amount of foreign equity participation in most areas (i.e. joint ventures with Chinese partners are required), and foreign investors as well as their Chinese partners must meet specific qualifications to apply. (See question 12.1.)

### 1.3 How is the provision of electronic communications networks or services regulated? Is the provision of electronic communications networks or services open to competition in China?

The *Telecommunications Law* (effective 20 September 2000) divides the industry into two sectors: basic telecommunications and value-added telecommunications services ("VATS"). The basic telecommunications sector includes fixed-network domestic long distance and local telephony, mobile network voice and data services, satellite communications, internet and other data transmission, sale and leasing of bandwidth and other network elements, international communications infrastructure, and reselling of basic telecommunications services.

Value-added telecommunications services include email, online database storage and retrieval, online data processing, internet access services, and internet information services. It is important to note that, unlike other jurisdictions, China regulates services such as the provision of internet content as a form of telecoms service,

thus triggering discretionary regulatory approvals for operating licences under the *Telecommunications Licensing Management Measures* (as revised effective 10 April 2009).

Companies providing basic telecommunications services must be at least 51% state-owned. Currently the basic telecommunications sector is dominated by three state-owned enterprises: China Telecom; China Unicom; and China Mobile.

On the face of national regulations, the VATS sector is relatively more open to competition - foreign investors are allowed to hold up to 50% of the equity interest of a company in this sector - although due to policy restrictions foreign investors often choose to participate in the market through indirect investment. (See question 12.1.)

Chinese telecoms companies with foreign shareholders are commonly called FITEs, an acronym for "foreign invested telecommunications enterprises". As indicated above, FITEs can only be established as joint venture enterprises between qualified Chinese and foreign parties.

### 1.4 Which are the regulatory and competition law authorities? How are their roles differentiated? Are they independent from the government?

There is a polyarchy of regulatory authorities in China which have jurisdiction over various aspects of the telecommunications industry, including: (1) the Ministry of Industry and Information Technology ("MIIT"), which is the primary authority with jurisdiction over the telecoms sector, including the approval of licenses to operate in the telecommunications industry; (2) the State Administration of Radio, Film and Television ("SARFT"), which has jurisdiction over the content of video and audio broadcast over the internet and the coaxial cable infrastructure, and claims authority over any telecommunications uses of that infrastructure; (3) the State Administration for Industry and Commerce ("SAIC"), which is the national commercial registration authority for issuing business licences; (4) the Ministry of Commerce ("MOFCOM"), which has authority to approve foreign investment projects and mergers and acquisitions, including those in the telecommunications industry; and (5) the National Development and Reform Commission ("NDRC"), which has authority over project approval and other preliminary approvals. The Ministry of Construction ("MOCON") has regulatory authority over licensing construction enterprises (necessary for companies building telecommunications infrastructure), with additional industry-specific construction licences required from MIIT.

The *Anti-monopoly Law* (effective 1 August 2008) created three regulatory bodies for enforcing competition law: (1) an Anti-

monopoly Commission (under MOFCOM) with authority to issue guidelines and policies and evaluate proposed mergers and acquisitions; (2) an Anti-monopoly Law Enforcement Agency (under the SAIC) with authority to investigate monopolistic practices and execute enforcement actions; and (3) a Price Supervision and Inspection Division (under the NDRC) charged with investigating and enforcing anti-competitive pricing practices.

#### 1.5 Are decisions of the national regulatory authority able to be appealed? To which court or body?

Under the *Administrative Licensing Law* (effective 1 July 2004) decisions relating to administrative licensing can be appealed to an administrative hearing board within the agency, affording the parties an opportunity to present evidence and conduct cross-examinations.

In addition, decisions of regulatory authorities are generally subject to appeal before the administrative division of the trial-level People's Court at the place where the disputed administrative act (or omission) took place, subject to the *Administrative Procedure Law* (effective 1 October 1990). Higher-level People's Courts may assert jurisdiction over matters which are deemed important. However, certain administrative acts are not subject to appeal before the People's Courts, including those involving issues of national security (which could in some instances be a consideration in the telecommunications industry).

To date, few, if any, Chinese companies or foreign investors have sought judicial review for a decision by national regulatory authorities denying an operating permit for a FITE.

## 2 Licensing

#### 2.1 If a licence or other authorisation is required to install or operate electronic communications networks or provide services over them, please briefly describe the process, timescales and costs.

Companies seeking to install or operate an electronic communications network must first obtain appropriate licences from the agencies listed above. Foreign companies directly investing in the telecommunications industry must procure approval for establishing a FITE, and obtain the corresponding business license and operating permits. Companies with wholly Chinese equity ownership need only complete registration procedures, procure an appropriate business scope in their business licence and obtain the requisite operating licences.

The process for approving a FITE is time consuming and the numerous requirements have deterred direct foreign investment. There are slightly varying application processes for FITEs depending on (1) whether the FITE will conduct basic or value added telecommunications services, and (2) whether it operates on an inter-provincial scale, or solely within a province, autonomous region or directly administered city. In general, the Chinese party to the joint venture must first apply to MIIT for approval of the venture which will be approved or denied within 30-180 days depending on the proposed FITE's business scope and its investors. (See question 12.1.)

The MIIT has interpreted its regulations and China's WTO accession documents in a manner enabling the Ministry to withhold approvals for FITEs in certain VATS sectors. A slightly more relaxed alternative is available for foreign VATS investors qualifying for special treatment under the Closer Economic Participation Agreement between Hong Kong and the PRC.

#### 2.2 What other requirements, permits or approvals must be met or obtained before networks may be installed or operated and services provided?

Besides obtaining a FITE business licence and a telecommunications operating licence covering the company's intended business activities, a number of additional licences must be acquired for certain activities. For example: importing telecommunications network equipment requires a Telecommunications Network Equipment Licence (requiring the applicant to demonstrate adequate quality control and after-sales service prior to connection with the PSTN); telecommunications equipment deployed in areas prone to severe earthquakes must receive an additional certification from MIIT under the *Administrative Measures for Seismic Performance Testing of Telecommunications Equipment* (effective 10 April 2009), and companies building telecommunications networks must apply for a Telecommunications Construction Supervision Company Certificate from MIIT and additional certifications from MOCON.

#### 2.3 May licences or other authorisations be transferred and if so under what conditions?

Generally, telecommunications operating licences and other authorisations cannot be transferred. If the equity structure of a company holding certain telecommunications licences changes, MIIT must be notified of the change and the licence's validity will be reviewed.

#### 2.4 What is the usual or typical stated duration of licences or other authorisations?

A basic telecommunications operating licence will be valid for either 5 or 10 years, depending on the company's business scope. A VATS operating licence will be valid for 5 years.

## 3 Public and Private Works

#### 3.1 Are there specific legal or administrative provisions dealing with access and/or securing or enforcing rights to public and private land in order to install telecommunications infrastructure?

Article 46 of the *Telecommunications Law* provides that basic telecommunications providers can install power and telecommunications lines, and wireless stations for public use on private land in exchange for a fee. The fee amount will be determined prior to construction by reference to the provincial-level MIIT standards at the place of installation.

#### 3.2 Is there a specific planning or zoning regime that applies to the installation of telecommunications infrastructure?

There are no specific planning or zoning regulations addressing installation of network infrastructure. Rather, basic telecommunications providers draft plans in consultation with MIIT for approval on an individual project basis.

The *Circular on Strengthening Management of Telecommunications Infrastructure and Network Construction* (effective 6 July 2005) states generally that no entity may interfere with the network construction activities of basic telecommunications providers.

- 3.3 Are there any rules requiring established operators to share their infrastructure, e.g. masts, sites, ducts or cables (i.e. dark fibre)? Are there any proposals to mandate 'passive access' to such basic infrastructure?

Basic telecommunications operating companies are required to lease, sell, or swap excess capacity with other licensed providers to ensure efficient use of resources subject to the *Circular on Strengthening Management of Telecommunications Infrastructure and Network Construction*.

## 4 Access and Interconnection

- 4.1 Is network-to-network interconnection and access mandated, and what are the criteria for qualifying for the benefits of interconnection?

Interconnection of public telecommunications networks is mandated for basic telecommunications services operators under the *Public Telecommunications Network Connectivity Rules* ("Connectivity Rules", effective 10 May 2001). No measures may be taken which limit or delay access to third party telecommunications providers. To qualify for interconnection, an enterprise must have a basic telecommunications operating license.

- 4.2 How are interconnection or access disputes resolved? Does the national regulatory authority have jurisdiction to adjudicate and impose a legally binding solution?

The *Telecommunications Network Connectivity Dispute Resolution Measures* (effective 1 January 2002) grant MIIT jurisdiction to mediate interconnectivity and access disputes, and the authority to impose binding administrative decisions.

- 4.3 Are any operators required to publish their standard interconnection contracts and/or prices?

MIIT sets pricing standards for interconnectivity of telecommunications networks depending on the originating and receiving party according to the *Public Telecommunications Network Interconnectivity Pricing Measures* (as amended from time to time).

- 4.4 Looking at fixed, mobile and other services, are charges for interconnection (e.g. switched services) and/or network access (e.g. wholesale leased lines) subject to price or cost regulation and, if so, how?

Interconnection charges for optical fibres and other telecommunications lines are regulated through a government guidance price (setting forth a base price and permissible fluctuation range) under the *Circular on Charging for Telecommunications Services to be Co-managed by Local Telecommunications and Price Authorities* (effective 6 August 2002).

- 4.5 Are any operators subject to: (a) accounting separation; (b) functional separation; and/or (c) legal separation?

Accounting is separated for different operators and rules on cost sharing are provided in the *Connectivity Rules and the Allocation Measures for Settlement and Relay Costs between Connected Public Telecommunications Networks* (effective 1 November 2003).

Article 36 of the Connectivity Rules provides that operators shall clearly divide operation and maintenance obligations between connected networks. The Connectivity Rules further presume the independent legal status of separate operators.

- 4.6 How are existing interconnection and access regulatory conditions to be applied to next generation (IP-based) networks?

On 6 January 2009, the MIIT issued 3G licences to China Mobile, China Unicom and China Telecom, the three major state-owned basic telecommunications services providers. No regulations have yet been published specifically on interconnection for next-generation networks.

- 4.7 Are owners of existing copper local loop access infrastructure required to unbundle their facilities and if so, on what terms and subject to what regulatory controls? Are cable TV operators also so required?

Currently there are no published legal requirements for owners of copper local loop access or cable TV infrastructure to unbundle their facilities.

- 4.8 Are there any regulations or proposals for regulations relating to next-generation access (fibre to the home, or fibre to the cabinet)? Are any 'regulatory holidays' or other incentives to build fibre access networks proposed?

Though no formal proposals for regulations on next-generation access have yet been published, a June 2009 report in *China Communications Weekly*, an official paper of the MIIT, indicated that the three major basic telecoms operators in China are implementing pilot projects for next-generation access and probably will use EPON technology.

## 5 Price and Consumer Regulation

- 5.1 Are retail price controls imposed on any operator in relation to fixed, mobile, or other services?

Yes, the MIIT may order price controls under the *Telecommunications Law*. Specific price controls are found in a number of regulations including the *Circular Reforming Certain Telecommunications Fees* (effective 1 January 2005), and the *Circular Limiting Roaming Fees for Mobile Telephone Customers* (effective 13 February 2008).

- 5.2 Is the provision of electronic communications services to consumers subject to any special rules and if so, in what principal respects?

Yes, rules applicable to providers of telecommunications services are found in a MIIT *Circular on Telecommunications Service Coverage* (effective 20 April 2005), regulating quality and setting standards for fixed line and wireless telephone, internet, satellite and other services. Requirements for obtaining administrative licences in these areas are listed in the *Administrative Licensing Item List* (effective 10 April 2009). National and regional consumer protection laws also provide avenues for consumers opposing unilateral actions by operators.

## 6 Numbering

### 6.1 How are telephone numbers and network identifying codes allocated and by whom?

Applications for telephone numbers should be made to MIIT in accordance the *Telecommunications Network Number Resource Management Measures* (“Network Resource Measures”, effective 1 March 2003). Special “short” telephone numbers and network identifying codes are also allocated by MIIT.

### 6.2 Are there any special rules which govern the use of telephone numbers?

The Network Resource Measures restrict use of certain telephone numbers. For example, numbers starting with “1” are reserved for cellular phone use, and five-digit telephone numbers starting with “95” are reserved for use by services companies such as travel agencies.

### 6.3 How are telephone numbers made available for network use and how are such numbers activated for use by customers?

Basic telecommunications providers will assist users in activating their telephone numbers within ten working days of signing a service agreement. Following activation, the basic telecommunications service provider will register the number and its use with MIIT.

### 6.4 What are the basic rules applicable to the ‘porting’ (i.e. transfer) of telephone numbers (fixed and mobile).

“Number portability” has not yet been adopted as a business custom and there are no specific regulations allowing single users to port telephone numbers from one service provider to another. However, the Network Resource Measures prohibit telephone number users from selling or transferring or changing the use of their telephone numbers without MIIT approval.

## 7 Submarine Cables

### 7.1 What are the main rules governing the bringing into China’s territorial waters, and the landing, of submarine cables? Are there any special authorisations required or fees to be paid with respect to submarine cables?

There are no published laws regarding the fees for bringing submarine cables into PRC territorial waters or for landing them; however, only basic telecommunications operating companies (i.e. majority state-owned enterprises) may operate international telecommunications networks under the *Telecommunications Licensing Management Measures*.

Foreign companies signing cooperative agreements with PRC companies to engage in installation or maintenance of submarine cables must receive approvals from MIIT, the State Planning Committee and MOFCOM, as required by the *International Communications Facilities Construction Management Measures* (effective 1 August 2002).

## 8 Radio Frequency Spectrum

### 8.1 Is the use of radio frequency spectrum specifically regulated and if so, by which authority?

The use of radio frequency spectrum is jointly regulated by the Radio Management Department of the Military Affairs Committee and the MIIT. Detailed regulations on the radio frequency spectrum are found in the *Radio Management Measures* (issued by the Military Affairs Committee, effective 11 September 1993) and the *Radio Frequency Distribution Rules* (issued by MIIT, effective 5 September 2006).

Individual amateur radio hobbyists may also apply to the MIIT for permits following certification under the *Amateur Radio Call Sign Management Measures* (effective 27 April 2007) and the *Provisional Measures for Foreigners Operating Amateur Radio Stations* (effective 1 February 2001).

### 8.2 How is the use of radio frequency spectrum authorised in China? What procedures are used to allocated spectrum between candidates - i.e. spectrum auctions, comparative ‘beauty parades’, etc.?

Radio frequencies are allocated on a centralised basis under the *Radio Management Measures* by the state radio regulatory entity and its local counterparts.

### 8.3 Are distinctions made between mobile, fixed and satellite usage in the grant of spectrum rights?

The *Radio Frequency Distribution Rules* distinguish mobile, fixed and satellite usage in granting spectrum rights, designating primary and secondary usage categories for each frequency.

### 8.4 How is the installation of satellite earth stations and their use for up-linking and down-linking regulated?

Satellite earth stations and their use for up-linking and down-linking are regulated pursuant to the *Rules on Establishing Satellite Communication Networks and Installing Earth Stations* (effective 10 April 2009). Earth stations sending or receiving signals from foreign countries, Hong Kong, Taiwan and Macau must be approved by MIIT.

### 8.5 Can the use of spectrum be made licence-exempt? If so, under what conditions?

No, it cannot.

### 8.6 If licence or other authorisation fees are payable for the use of radio frequency spectrum, how are these applied and calculated?

Nominal registration fees for radio frequency spectrum use are payable as set forth in the *Radio Fee Management Rules* (effective 1 April 1998) and supplemented by the NDRC and Ministry of Finance effective 1 January 2004.

### 8.7 Are spectrum licences able to be traded or sub-licensed and if so on what conditions?

Transfer or lease of radio frequency spectrum (or accomplishing an

effective transfer or lease by other means) is prohibited under the *Rules on Strengthening Radio Frequency and Station Management* (effective 7 February 1994).

## 9 Data Retention and Interception

### 9.1 Are operators obliged to retain any call data? If so who is obliged to retain what and for how long? Are there data protection (privacy rules) applicable specifically to telecommunications?

Telecoms operators must preserve original data on long-distance call charges, mobile phone call charges, mobile phone message fees and IP telephone call charges for at least for 5 months under the *Norms for Telecommunications Services* (effective 13 March 2005). Email service providers must record the IP addresses, email addresses and sending or receiving times of all emails and preserve the information for 60 days under the *Email Services Management Measures* (effective 30 March 2006).

There are currently no comprehensive privacy laws applicable to telecommunications, but telecoms operators are generally obliged to preserve the confidentiality of information collected by various regulations governing particular sectors of the industry. A draft *Personal Information Privacy Law* which would affect electronic communications and record-keeping has been in circulation since 2003; however, there is no announced date for a vote before the National People's Congress.

### 9.2 Are operators obliged to maintain call interception (wire-tap) capabilities?

Yes, telecommunications operators are required to build and operate their networks to comply with national security requirements, including allowing the authorities to examine the contents of communications in the course of a lawful investigation.

### 9.3 What is the process for authorities obtaining access to retained call data and/or intercepting calls? Who can obtain access and what controls are in place?

National security authorities may initiate electronic surveillance following an internal approval process under the *National Security Law* (effective 22 February 1993). The people's courts, procurates, and the Public Security Bureaux have the right to collect evidence and conduct surveillance in the course of an investigation under the *Criminal Procedure Law* (effective 1 January 1997).

## 10 The Internet

### 10.1 Are conveyance services over the internet regulated in any different way to other electronic communications services? Which rules, if any, govern access to the internet at a wholesale (i.e. peering or transit) and/or retail (i.e. broadband access) level? Are internet service providers subject to telecommunications regulation?

Provision of information services over the internet is subject to specific regulation by MIIT and websites are divided by the *Internet Information Services Measures* (effective 20 September 2000) into two types: Operating Internet Information Services ("OIS"); and Non-operating Internet Information Services ("NIIS"). OIS websites include any provision of online information in exchange for payment,

and require a VATS operating licence. NIIS registration is available for websites providing free information online upon filing a form containing information about the person responsible for the online content, as listed in the *NIIS Registration Measures* (effective 20 March 2005). For all websites, an Internet Content Provider ("ICP") number will be issued to the site's operator following registration with MIIT. Websites must list their ICP number and a link to the MIIT website at the bottom centre of the front page.

Internet access providers must operate in accordance with the *Internet Website Management Work Details* (effective 1 December 2005), requiring that access providers collect accurate information on content providers and not allow customers to upload content without an ICP number.

### 10.2 Is there any immunity (e.g. 'mere conduit' or 'common carrier') defence available to protect telecommunications operators and/or internet service providers from liability for content carried over their networks?

There is no immunity defence for internet service providers. Under the *Internet Information Services Measures*, internet information service providers may not produce, reproduce, disseminate or broadcast information with content prohibited by law. The *Telecommunications Licensing Management Measures* further provide telecommunications operators are responsible for monitoring content which they host and notifying the authorities of any illegal content.

### 10.3 Are telecommunications operators and/or internet service providers under any obligations (i.e. provide information, inform customers, disconnect customers) to assist content owners whose rights may be infringed by means of file-sharing or other activities?

The *Administrative Measures for Protecting Copyrights on the Internet* (effective 30 May 2005) require internet service providers to immediately remove infringing content upon receiving notice from the copyright holder. The ISP must further record the content of the information provided, the time of publication and the internet address or domain name used for publishing such information, along with information on the account of the user posting the infringing content.

### 10.4 Are telecommunications operators and/or internet service providers able to differentially charge and/or block different types of traffic over their networks? Are there any 'net neutrality' requirements?

Telecommunications operators may charge different rates for certain types of traffic over their networks. According to the *Telecommunications Regulations*, charges for telecommunications services for which there is sufficient competition can be charged at a market price. However, charges for certain basic telecommunications services shall be fixed by the government.

Telecommunications operators cannot refuse, delay or terminate the provision of telecommunications services to a telecommunications subscriber without a legitimate reason. However, telecommunications operators are obligated to block content contravening China's laws and regulations.

### 10.5 How are 'voice over IP' services regulated?

VOIP services are categorised as basic telecommunications services

under the *Catalogue of Telecommunication Services* (as revised effective 21 February 2003); providers therefore require a Basic Telecommunications Services Operating Licence from the MIIT. According to the *Circular on Adjusting Management of Charges for Some Telecommunications Services* (effective 1 October 2005), there are no government mandated price controls for VOIP services. Additional compulsory technical standards are found in the *Norms for Telecommunications Services*.

#### 10.6 Are there any rules to prevent, restrict or otherwise govern internet or email communications, in particular, marketing and advertising communications?

There are a number of restrictions on internet communications under the current regulatory regime. Unsolicited email advertisements are illegal and all email advertisements must contain the word "AD" or its Chinese equivalent in the subject line: violators are subject to fines of up to RMB 30,000 if the sender receives "illegal proceeds" from his actions, subject to the *Email Services Management Measures*. Other marketing and advertising communications on the internet are subject to the same general regulations as offline advertising, under the jurisdiction of SAIC.

Websites with bulletin board services must apply to MIIT as described in the *Internet Bulletin Board Service Measures* (effective 8 October 2000). Article 15 of the *Internet Information Services Measures* prohibits publication or distribution of certain types of information, including that which harms national security, causes loss to the nation's reputation or interests, promotes ethnic discrimination or hatred, or has pornographic content. Content relating to news, publishing, education, medicines or medical devices and other regulated information must be approved by the relevant PRC government authority.

## 11 USO

#### 11.1 Is there a concept of universal service obligation; if so how is this defined, regulated and funded?

Article 44 of the *Telecommunications Law* creates a duty to provide universal service and authorises MIIT to consult with the Ministry of Finance to enact *Measures for Managing the Telecommunications Universal Service Fund* (which have not yet been published). Some service obligations of telecommunications providers are listed in detail in the MIIT *Circular on Telecommunications Service Coverage* mentioned above.

## 12 Foreign Ownership Rules

#### 12.1 Are there any rules restricting direct or indirect foreign ownership interests in electronic communications companies whether in fixed, mobile, satellite or other wireless operations?

The *Rules on Foreign Investment in Telecommunications Companies* (as amended effective 10 September 2008) and the *Telecommunications Licensing Management Measures* (as revised effective 10 April 2009) set out application procedures for foreign invested companies seeking to invest in basic or value-added telecommunications services. Companies providing basic telecommunications services must be at least 51% state-owned. Companies providing value-added telecommunications services may be up to 50% foreign-owned.

FITEs may only be established as joint venture companies with PRC companies and there are a number of restrictions which have made establishing FITEs impractical, including: (1) the minimum registered capital of a FITE engaging in inter-province basic telecommunications must be at least RMB 1 billion; (2) the primary foreign investing party must be registered to provide similar telecommunications services in its home country (a restriction precluding investment by venture capitalists); and (3) the primary Chinese investing party must also be registered to provide telecommunications services similar to those provided by the FITE, limiting the number of potential partners for foreign investors.

Onerous restrictions on direct foreign investment in the telecommunications industry have led many foreign investors to enter the market through a "CCF" structure involving three parties: (1) a wholly domestic-owned Chinese party with the necessary licenses and approvals; (2) a foreign-owned Chinese entity effectively controlling the first enterprise through a series of contracts; and (3) the foreign party which owns and controls the second enterprise.

Though the CCF structure is of questionable legality under PRC law (with a number of previous CCF structures in the basic telecommunications sector unwound under government order in the late 1990s), it is now widely used in the VATS sector. Currently the CCF structure is an "open secret", having been disclosed in the prospectuses of publicly listed telecommunications companies in Hong Kong and New York, and its continued existence is undoubtedly known to PRC authorities.

## 13 Future Plans

#### 13.1 Are there any imminent and significant changes to the legal and regulatory regime for electronic communications?

Publicly available information from MIIT indicates that a new *Telecommunications Law* is scheduled for approval before the end of the current five-year plan in 2011; however, no drafts have yet been published.

Draft *Measures on Internet Safety and Supervision* were published on 18 August 2009 and propose requiring telecoms operators and domain name service providers to implement network "supervision systems" connecting to central systems operated by MIIT. The draft measures are intended to improve "internet safety", including ensuring stable services and preventing unlawful tampering or access to online information.

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Lovells

Lovells is a London-based international law firm with offices in 26 countries and regions. The Beijing office of Lovells was one of the first foreign law firms registered with the Ministry of Justice in 1993. Lovells Beijing advises clients from North America, Europe and Asia on all aspects of doing business in the Peoples' Republic of China. Its partners have been involved in interpreting and advising on the Chinese telecoms regulatory regime for more than 15 years. Lovells prides itself on explaining the "black letter" aspects of Chinese law in an international setting and assisting its clients in reaching commercially sound decisions taking into consideration local legal and policy restrictions, business objectives and local culture. The Beijing office has over thirty lawyers in addition to translators and paralegals.