

## Amendment to the Criminal Law of the People's Republic of China

(Adopted at the 13th Meeting of the Standing Committee of the Ninth National People's Congress on December 25, 1999 and promulgated by Order No. 27 of the President of the People's Republic of China on December 25, 1999)

In order to punish crimes disrupting the order of the socialist market economy and ensure smooth progress of the socialist modernization drive, the following additional amendments are made to the Criminal Law:

1. In the end of Article 162, two paragraphs are added as part of Article 162: "Whoever conceals or intentionally destroys accounting vouchers, account books or financial and accounting statements, if the circumstances are serious, shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than 20,000 yuan but not more than 200,000 yuan.

"Where a unit commits the crime mentioned in the preceding paragraph, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be punished according to the provisions in the preceding paragraph."

2. Article 168 is revised as follows: "Where an employee of a State-owned company or enterprise, because of being seriously irresponsible or abuse of power, causes bankruptcy or heavy losses to the said company or enterprise, thus occasioning major losses to the interests of the State, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; if especially major losses are occasioned to the interests of the State, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years.

"Any employee of a State-owned institution commits any of the crimes mentioned in the preceding paragraph and causes major losses of the interests of the State, he shall be punished in accordance with the provisions in the preceding paragraph.

"Any employee of a State-owned company, enterprise or institution who engages in malpractices for selfish ends and commits any of the crimes mentioned in the preceding two paragraphs shall be a given heavier punishment in accordance with the provisions in the first paragraph."

3. Article 174 is revised as follows: "Whoever, without the approval of the competent State department, establishes a commercial bank, stock exchange, futures exchange, securities company, futures agency, insurance company or any other financial institution shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall also, or shall only, be fined not less than 20,000 yuan but not more than 200,000 yuan; if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than 10 years and shall also be fined not less than 50,000 yuan but not more than 500,000 yuan.

"Whoever forges, alters or transfers the business license or document of approval of a commercial bank, stock exchange, futures exchange, securities company, futures agency, insurance company or any other financial institution shall be punished in accordance with the provisions of the preceding paragraph.

"Where a unit commits any of the crimes mentioned in the preceding two paragraphs, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be punished in accordance with the provisions of the first paragraph."

4. Article 180 is revised as follows: "Any person with knowledge of inside information on securities or futures trading or any person who illegally obtains such information, prior to the publication of the information that concerns security issue, securities or futures trading or that has a vital bearing on the trading prices of securities or futures, buys or sells the said securities, engages in the futures trading which the said inside information concerns, or divulges the said information shall, if the circumstances are serious, be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than the amount of but not more than five times the illegal gains; if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than five years but not more than 10 years and shall also be fined not less than the amount of but not more than five times the illegal gains.

"Where a unit commits the crime mentioned in the preceding paragraph, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention.

"The definitions for inside information and persons with knowledge of inside information shall be determined in accordance with the provisions of laws or administrative rules and regulations."

5. Article 181 is revised as follows: "Whoever fabricates and spreads false information that adversely affects securities or futures trading, thus disrupting the securities or futures trading market, shall, if the consequences are serious, be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than 10,000 yuan but not more than 100,000 yuan.

Any employee of a stock exchange, futures exchange, securities company or futures agency or any staff member of the Securities Industry Association, the Futures Industry Association or the securities and futures regulatory authority who intentionally provides false information or forges, alters or destroys trading records in order to inveigle investors into buying or selling securities or futures contracts, and thus serious consequences result, shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than 10,000 yuan but not more than 100,000 yuan; if the circumstances are especially vile, he shall be sentenced to fixed-term imprisonment of not less than five years but not more than 10 years and shall also be fined not less than 20,000 yuan but not more than 200,000 yuan.

"Where a unit commits any of the crimes mentioned in the preceding two paragraphs, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention."

6. Article 182 is revised as follows: "Whoever commits any of the following crimes by manipulating securities or futures trading prices in order to obtain illegitimate benefits or shift risks to others shall, if the circumstances are serious, be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than the amount of but not more than five times the illegal gains:

(1) whether independently or in collusion with others, carrying out combined or successive purchases or sales by building up an advantage in terms of funds, shareholding or futures-holding or using one's advantage in terms of information, thereby manipulating the trading prices of securities or futures;

(2) collaborating with another person to mutually trade securities or futures or to mutually buy or sell securities not held by them, at a prearranged time and price and by prearranged means, thereby affecting the price or the volume of the securities or futures traded;

(3) buying or selling securities from or to oneself without transfer of ownership of the securities by means of making oneself the other party to the transaction, or buying or selling futures contracts from or to oneself by the same means, thereby affecting the price or the volume of the securities or future traded.; or

(4) manipulating the trading prices of securities or futures by other means.

"Where a unit commits any of the crimes mentioned in the preceding paragraph, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention."

7. Article 185 is revised as follows: "Any staff member of a commercial bank, stock exchange, futures exchange, securities company, futures agency, insurance company or any other financial institution who, taking advantage of his position, misappropriates funds of the unit he belongs to or of a client, shall be convicted and punished in accordance with the provisions in Article 272 of this Law.

"If any staff member of a State-owned commercial bank, stock exchange, futures exchange, securities company, futures agency, insurance company or any other State-owned financial institution or any person who is assigned by a State-owned commercial bank, stock exchange, futures exchange, securities company, futures agency, insurance company or any other financial institution to a non-State-owned financial institution mentioned in the preceding paragraph to engage in public service commits the crime mentioned in the preceding paragraph, he shall be convicted and punished in accordance with the provisions in Article 384 of

this Law."

8. One sub-paragraph is added to Article 225 as sub-paragraph (3): "without approval of the competent State department, illegally engaging in securities, futures or insurance business;" and the original third sub-paragraph is changed to be the fourth.

9. This Amendment shall enter into force as of the date of promulgation.

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