

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

### Order of the President of the People's Republic of China No. 51

The Amendment VI to the Criminal Law of the People's Republic of China, adopted at the 22nd Meeting of the Standing Committee of the Tenth National People's Congress of the People's Republic of China on June 29, 2006, is hereby promulgated and shall go into effect as of the date of its promulgation.

Hu Jintao

President of the People's Republic of China

June 29, 2006

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

(Adopted at the 22nd Meeting of the Standing Committee of the Tenth National People's Congress of the People's Republic of China on June 29, 2006)

1. Article 134 of the Criminal Law is revised to read: "Whoever violates the safety provisions in the course of production and operations, thereby causing an accident involving heavy casualties or causing other serious consequences, shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the circumstances are especially flagrant, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years.

"Whoever forces another person to work under hazardous conditions in violation of rules, thereby causing an accident involving heavy casualties or causing other serious consequences, shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention; and if the circumstances are especially flagrant, he shall be sentenced to fixed-term imprisonment of not less than five years."

2. Article 135 of the Criminal Law is revised to read: "Where the facilities for safety production or the conditions for safety production are not in conformity with State requirements, thereby causing an accident involving heavy casualties or causing other serious consequences, the person directly in charge and the other persons directly responsible shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the circumstances are especially flagrant, the said persons shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years."

3. One article is added after Article 135 of the Criminal Law to be Article 135 a, which reads: "Where a large-scale mass activity is held in violation of the safety provisions, thereby causing an accident involving heavy casualties or causing other serious consequences, the person directly in charge and the other persons directly responsible shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the circumstances are especially flagrant, the said persons shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years.

4. One article is added after Article 139 of the Criminal Law to be Article 139 a, which reads: "Where after the occurrence of an accident endangering safety, the person whose duty it is to report such occurrence fails to do so or makes a false report about the accident, thus causing the delay of rescue efforts, if the circumstances are serious, the said person shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years."

5. Article 161 of the Criminal Law is revised to read: "Where a company or an enterprise obligated to disclose information according to law provides its shareholders and the general public with false financial statements or such statements concealing important facts, or fails to disclose other important information in accordance with relevant provisions, which is required to be disclosed according to law, thus causing serious harm to the interests of its shareholders or other persons, or engendering other serious circumstances, the person directly in charge and the other person directly responsible shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, and a fine of not less than 20,000 yuan but not more than 200,000 yuan shall, in addition, or shall only, be imposed on the said persons."

6. One article is added after Article 162 of the Criminal Law to be Article 162 b, which reads: "Where a company or an enterprise transfers or disposes of its property by means of concealing its property or assuming non-existent debts or by other means in order to make believe that it has gone bankrupt, thus causing serious harm to the interests of its creditors or other persons, the person directly in charge and the other persons directly responsible shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention, and a fine of not less than 20,000 yuan but not more than 200,000 yuan shall, in addition, or shall only, be imposed on the said persons."

7. Article 163 of the Criminal Law is revised to read: "Where an employee of a company, an enterprise or other unit who, taking advantage of his position, demands money or property from another person, or illegally accepts another person's money or property in return for the benefits sought for that person, and if the amount involved is relatively large, he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention; and if the amount involved is huge, he shall be sentenced to fixed-term imprisonment of not less than five years and may, in addition, be sentenced to confiscation of his property."

"Where an employee of a company, an enterprise or other unit who, taking advantage of his position in economic activities, accepts rebates or service charges of various descriptions and takes them into his own possession in violation of State regulations, he shall be punished in accordance with the provisions of the preceding paragraph."

"Where a person who is engaged in public service in a State-owned company, enterprise or other State-owned unit or who is assigned by the said company, enterprise or unit to a company, enterprise or other unit that is not owned by the State to engage in public service commits any of the acts mentioned in the preceding two paragraphs, he shall be convicted and punished in accordance with the provisions of Articles 385 and 386 of this Law respectively."

8. The first paragraph of Article 164 of the Criminal Law is revised to read: "Where a person gives money or property to an employee of a company, enterprise or other unit for the purpose of seeking illegitimate benefits, if the amount involved is relatively large, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the amount involved is huge, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than ten years and shall, in addition, be fined."

9. One article is added after Article 169 of the Criminal Law to be Article 169a, which reads: "Where a director, supervisor or senior manager of a listed company, failing in his duty of loyalty towards the company and taking advantage of his position, manipulates the company to commit one of the following acts, thus causing heavy losses to the interests of the listed company, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, and a fine shall, in addition, or shall only, be imposed on him; and if especially heavy losses are caused to the interests of the company, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years, and a fine shall, in addition, be imposed on him:

"(1) providing another unit or individual with funds, commodities, services or other assets gratis;

"(2) providing or accepting funds, commodities, services or other assets on manifestly unfair terms;

"(3) providing funds, commodities, services or other assets to a unit or individual that is noticeably unable to make repayment;

"(4) providing guarantee to a unit or individual that is noticeably unable to make repayment, or providing guarantee to a unit or individual without justifiable reasons;

"(5) relinquishing creditor's rights or assuming debts without justifiable reasons; or

"(6) harming the interests of the listed company by other means."

"Where a controlling shareholder or a person in practical control of a listed company instructs a director, supervisor or senior manager of the company to commit the acts mentioned in the preceding paragraph, he shall be punished in accordance with the provisions of the preceding paragraph."

"Where a controlling shareholder or a person in practical control of a listed company that commits the offenses mentioned in the preceding paragraph is a unit, a fine shall be imposed on it, and, in addition, the person

directly in charge of the unit and the other persons directly responsible shall be punished in accordance with the provisions of the first paragraph."

10. One article is added after Article 175 of the Criminal Law to be Article 175a, which reads:"Whoever, by means of deception, obtains loans, acceptance of bills, letters of credit, letters of guarantee, etc. from a bank or other banking institution, thus causing heavy losses to the bank or other banking institution or engendering other serious circumstances, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, and a fine shall, in addition, or shall only, be imposed on him; and if especially heavy losses are caused to the bank or other banking institution or other especially serious circumstances are engendered, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years and shall, in addition, be fined.

"Where a unit commits the offense mentioned in the preceding paragraph, a fine shall be imposed on it, and the person directly in charge and the other person directly responsible shall be punished in accordance with the provisions of the preceding paragraph."

11. Article 182 of the Criminal Law is revised to read:"Whoever commits one of the following acts by manipulating the stock or futures markets, if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall, in addition, or shall only, be fined; and if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than five years but not more than ten years and shall, in addition, be fined:

"(1) manipulating the stock or futures trading prices or volumes by working alone or plotting with another person in concluding transactions jointly or continuously through mustering the superiority in the holding of funds or shares or in positions or taking advantage of the superiority in terms of information;

"(2) affecting stock or futures trading prices or volumes by colluding with another person in carrying out stock or futures transactions between themselves at a time, price and in a manner previously agreed;

"(3) affecting stock or futures trading prices or volumes by making stock transactions between the accounts actually controlled by himself, or by trading in futures contracts with himself as the counterpart of transaction;  
or

"(4) manipulating the stock or futures markets by any other means.

"Where a unit commits one of the offenses mentioned in the preceding paragraph, it shall be fined, and the person directly in charge and the other persons directly responsible shall be punished in accordance with the provisions of the preceding paragraph."

12. One article is added after Article 185 of the Criminal Law to be Article 185a, which reads:"Where a commercial bank, stock exchange, futures exchange, securities company, futures brokerage company, insurance company or other banking institution, going against its fiduciary obligations, uses the funds of its clients or other entrusted or fiduciary property without approval, if the circumstances are serious, it shall be fined, and the person directly in charge and the other persons directly responsible shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall, in addition, be fined not less than 30,000 yuan but not more than 300,000 yuan; and if the circumstances are especially serious, they shall be sentenced to fixed-term imprisonment of not less than three years but not more than ten years and shall, in addition, be fined not less than 50,000 yuan but not more than 500,000 yuan each.

"Where any of the management institutions of public funds, such as the management institution of social security fund and the management institution of public accumulation fund for housing construction, as well as insurance companies, insurance assets management companies and the management companies of securities investment fund, uses such funds in violation of State regulations, the person directly in charge and the other persons directly responsible shall be punished in accordance with the provisions of the preceding paragraph."

13. The first and second paragraphs of Article 186 of the Criminal Law are revised to read:"Where an employee of a bank or other banking institution grants loans in violation of State regulations, if the amount involved is huge or heavy losses are caused, he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall, in addition, be fined not less than 10,000 yuan but not more than 100,000 yuan; and if the amount involved is especially huge or especially heavy losses are caused, he

shall be sentenced to fixed-term imprisonment of not less than five years and shall, in addition, be fined not less than 20,000 yuan but not more than 200,000 yuan.

"Where an employee of a bank or other banking institution grants loans to his connections in violation of State regulations, he shall be given a heavier punishment in accordance with the provisions of the preceding paragraph."

14. The first paragraph of Article 187 of the Criminal Law is revised to read: "Where an employee of a bank or other banking institution absorbs funds of his clients without entering them into an account book, if the amount involved is huge or heavy losses are caused, he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall, in addition, be fined not less than 20,000 yuan but not more than 200,000 yuan; and if the amount involved is especially huge or especially heavy losses are caused, he shall be sentenced to fixed-term imprisonment of not less than five years and shall, in addition, be fined not less than 50,000 yuan but not more than 500,000 yuan."

15. The first paragraph of Article 188 of the Criminal Law is revised to read: "Where an employee of a bank or other banking institution, in violation of regulations, issues letters of credit or other letters of guaranty, negotiable instruments, deposit certificates or certificates of financial standing, if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention; and if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than five years."

16. The first paragraph of Article 191 of the Criminal Law is revised to read: "Whoever, while clearly knowing that the proceeds are obtained from drug-related crimes, from crimes committed by organizations of the nature of criminal gangs, by terrorists or smugglers, from crimes of graft bribery, of disruption of banking management order or of monetary defraudation, or are gains derived therefrom, commits one of the following acts in order to cover up or conceal the sources or nature of the proceeds or gains, the proceeds obtained from commission of the crimes and the gains derived therefrom shall be confiscated, and he shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall, in addition, or shall only, be fined not less than 5 percent but not more than 20 percent of the amount of money laundered; and if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than five years but not more than ten years and shall, in addition, be fined not less than 5 percent but not more than 20 percent of the amount of money laundered:

"(1) providing fund accounts;

"(2) helping convert property into cash, financial bills or negotiable securities;

"(3) helping transfer funds through transferring accounts or other form of settlement;

"(4) helping remit funds abroad; or

"(5) covering up or concealing, by other means, the source and nature of the proceeds obtained from commission of the crimes and the gains derived therefrom."

17. One article is added after Article 262 to be Article 262a, which reads: "Whoever, by means of violence or coercion, organizes disabled persons or minors under the age of 14 to go begging shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall, in addition, be fined; and if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years and shall, in addition, be fined."

18. Article 303 of the Criminal Law is revised to read: "Whoever, for the purpose of making profits, gathers people to engage in gambling or makes gambling his profession shall be sentenced to fixed-term imprisonment of not more than three years, criminal detention or public surveillance and shall, in addition, be fined.

"Whoever runs a gambling house shall be sentenced to fixed-term imprisonment of not more than three years, criminal detention or public surveillance and shall, in addition, be fined; and if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than ten years and shall, in addition, be fined."

19. Article 312 of the Criminal Law is revised to read: "Whoever, while clearly knowing that the proceeds are

obtained from commission of crimes or are gains derived therefrom, hides, transfers, purchases, helps to sell, or covers up and conceals by other means, such proceeds or gains shall be sentenced to fixed-term imprisonment of not more than three years, criminal detention or public surveillance and shall, in addition, or shall only, be fined; and if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years and shall, in addition, be fined."

20. One article is added after Article 399 of the Criminal Law to be Article 399a, which reads:"Where a person, who is charged by law with the duty of arbitration, intentionally runs counter to facts and laws and twists the law when making a ruling in arbitration, if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; and if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years."

21. This Amendment shall go into effect as of the date of its promulgation.

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