

LEHMAN, LEE & XU



雷曼律师事务所

PRESS RELEASE

Energy-Saving Industry is Encouraged in China

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As a party to the Kyoto Protocol (2005), the People's Republic of China, has been actively promulgating "greener" policies to improve China's environment and reduce carbon emissions. One such step towards greater energy efficiency is reflected in the Opinion on Expediting the Implementation of Energy Management Contracting to Promote the Development of Energy Saving Service Industry ("Opinion") which was issued by the General Office of the State Council of China in April 2010. "The Opinion is intended to encourage the implementation of energy-saving policies" according to Mr. Edward E. Lehman, Managing Director of Lehman, Lee & Xu.

Pursuant to the Opinion, energy service companies ("ESCOs"), as defined in the Opinion, are permitted to enter into contractual energy management ("CEM") arrangements with energy-consuming enterprises to provide energy-saving estimation, financing and restructuring services. The ESCOs' return on investment and profit taking are linked to the energy-saving efficiency resulting from their services.

The Opinion sets out several policies to encourage the development of ESCOs, including financial subsidies and tax-related benefits.

Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm has been recognized as one of the top trademark firms in China by several intellectual property magazines and is managed by Mr. Edward Lehman, a leading expert on corporate law with 20 years of practice experience in Mainland China.

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