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PRESS RELEASE

MOF Consults Public On Small Enterprise Accounting Standards

Beijing, China –Nov 11, 2010

As an effort to standardize the accounting behaviour of small enterprises and ensure the quality of their accounting information, the Ministry of Finance (MOF) recently drafted the Accounting Standards for Small Enterprises based upon extensive investigation and research to solicit public opinion until 15 December 2010. The draft instrument provides a lowest fixed number of years for depreciation of fixed assets and an accounting method for the subsequent expenditure that conforms to the income tax legislation, requiring small enterprises as defined therein to enter an item in an account in the actual amount incurred and adopt a coupon rate or contract rate to calculate interest. In respect of financial statements, the document rationally simplifies the cash flow statement and adds explanations on the tax adjustment in the notes.

Lehman, Lee & Xu can provide expert legal representation and counsel throughout the investment process. Beyond contract drafting, the firm can also perform due diligence on Chinese firms and projects, provide corporate and tax counsel on the structure and operation of an investment, from mere CERs purchase deal, to direct engagement in the project development with a Chinese partner, or to technologies sales/licensing and equity injections in project companies. For more information about the firm, please visit our website at www.lehmanlaw.com.