



# WORLD LAW BULLETIN

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Some highlights of this month's issue:

Campaign Financing Regulations--Russia

Law Protecting the Elderly-Mexico

New Occupational Safety Rules-China

Tax Cuts-Singapore

Annotated bibliography of reports from the UK:

Impact of Cell Phone Use on Drivers, Health Care Systems,  
Biological and Toxin Weapons Convention

## ***FULL LISTING OF WLB TOPICS FOLLOWS***

*EDITORIAL NOTE: The items presented in the World Law Bulletin have been selected for their special significance to the Congress of the United States, either as they relate to a particular or general legislative interest, or as they may have a bearing on issues affecting the United States and its interaction with other nations. Selections should in no way be interpreted as an indication of support or preference for any legal or political stance.*

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### *Table of Contents*

#### **AMERICAS**

Brazil–Criminal investigation involves software firms  
Colombia–Prosecutors and investigators targeted  
Mexico–Senate passes law protecting the elderly  
–Government transparency, personal privacy laws passed  
Venezuela–Conditional release of coup leaders

#### **ASIA**

China–Import/export commodity inspections  
–New occupational safety rules  
Hong Kong–Financial law proposed  
–New rules for foreign banks  
Singapore–Tax cuts  
Taiwan–Immigration law amended  
–Legislative restructuring proposal

#### **EUROPE**

Czech Republic–Asylum law  
Russian Federation–Campaign financing regulations  
–First decision of the European Court of Human Rights against Russia  
United Kingdom–Further restrictions on asylum seekers  
–Asbestos claims upheld

#### **INT’L LAW & ORGANIZATIONS**

ASEAN–Anti-terrorism communique  
Australia/Afghanistan–Refugee return agreement  
Australia/East Timor–Treaty for joint offshore oil development  
Chile/European Union–Free trade agreement  
China/Central Asia–Border agreements, anti-terrorism cooperation  
Japan/North Korea–talks on humanitarian issues  
Japan/United States–Securities accord

**PLUS: Law Library product listings, Bibliography of UK Publications, and Developments in the European Union**

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## AMERICAS

### **BRAZIL--Criminal Investigation Involves Software Firms**

The Brazilian Federal Police recently seized computers and programs from two software companies that create computer programs for financial market institutions as part of a criminal investigation to determine if the software allows banks to divert money from their official accounting books to a “second ledger,” or an illegal, parallel accounting system used by tax evaders to hide their earnings from the internal revenue office. Up to this time, federal prosecutors had concentrated on bankers and accountants in their investigations of financial crimes. Three software companies have been implicated: Zap Informatica, Borways Systems, and Drive Informatica. Police were unable to locate the headquarters of Borways, but they seized computers and hard drives from the other two companies. This evidence was sent to Brasilia, the capital city, where it is being examined by computer specialists at the National Institute for Criminal Investigations. Representatives of the two firms deny involvement with illegal accounting practices and criticized the federal police’s methods in the criminal investigation. (“Brazil Investigates Computer Software Suspected of Hiding Financial Crimes,” *Sao Paulo Isto e Dinheiro*, Apr. 24, 2002, via FBIS.) (Sandra Sawicki, 7-9819)

### **COLOMBIA--Prosecutors and Investigators Targeted**

A news report recently revealed that since 1999, 93 members of the national Prosecutor’s Office and its investigative arm, the Technical Investigation Corps, have been kidnaped and murdered as part of the violent internal conflict in Colombia. These officials perform their duties in the areas of the country where crimes have been committed by paramilitary forces, guerrillas, and common criminals, but they are unarmed and vulnerable to actions by insurgents. The report indicates that the riskiest areas for members of the Prosecutor’s Office are the departments of Antioquia and Santander in Central Colombia, Valle del Cauca on the Pacific Coast, Meta in the east, and Caqueta in the south. An official of the Prosecutor’s Office lamented the agency’s inability to conduct investigations in a country where the investigators themselves are being killed. (“Ninety-Three Prosecutors, Investigators Murdered in Three Years,” *Semana*, Bogota, Apr. 22, 2002, via FBIS.) (Sandra Sawicki, 7-9819)

### **MEXICO--Senate Passes Law Protecting the Elderly**

On April 26, 2002, the Mexican Senate approved unanimously the Law on Rights for Elderly People, which aims to guarantee access to education, development, work, health care, and legal services for the aged, a group that up to now has been of marginal consideration in the formulation of Mexico’s social policies. The new Law regulates the goals, plans, and programs of the federal, state, and municipal governments for the seven million Mexicans above the age of 60, a number that it is estimated will reach 10 million by 2012, and 17 million in 2025. The Law creates the National Institute for the Elderly, which will be presided over by the Secretary of Social Development and comprised of the secretaries of government, the treasury, education, health, labor, social security, and other government leaders. The Institute will be in charge of coordinating all public efforts to assist the elderly. (“Senate Guarantees Equality for Seniors,” *El Universal*, Mexico City, Apr. 26, 2002, via [http://www.el-universal.com.mx/pls/impreso.version\\_imprimir?id\\_nota=83743&tabla=nacion](http://www.el-universal.com.mx/pls/impreso.version_imprimir?id_nota=83743&tabla=nacion)) (Sandra Sawicki, 7-9819)

## **MEXICO--Transparency, Personal Privacy Laws Passed**

A landmark Federal Law on Transparency and Access to Information was unanimously passed by the Senate on April 30, 2002. It will guarantee all citizens the right to have access to government information on spending, decision making, and policy formation. Until now, records, transcripts, and notes from significant meetings have been restricted and kept from the public. The Senate approval brings into reality one of President Vicente Fox Quesada's promises when he took office in December 2000 to achieve openness. Government representatives predict that the new Law will be the chief weapon in fighting official corruption in Mexico.

On the same day, the Senate also unanimously approved the Federal Law on Protection of Personal Information. The Law aims to seek clarification and transparency of personal information stored in private and government databases; to avoid creating a black market where such personal information as sexual preference, political party affiliation, or economic standing can be exchanged; and to allow citizens to have knowledge of and correct personal information available in these databases. The leading national political parties strove to make the provisions of the Federal Law on Protection of Personal Information harmonious with the provisions of the Federal Law on Transparency and to avoid duplication of functions of the government agencies involved. ("Unanimous Approval of Law on Information," *El Universal*, Mexico City, May 1, 2002, via [http://www.el-universal.com.mx/impreso.version\\_imprimir?id\\_nota=83915&tabla=nacion](http://www.el-universal.com.mx/impreso.version_imprimir?id_nota=83915&tabla=nacion); "Information Law, Principal Anticorruption Weapon: Barrio," *El Universal*, May 10, 2002, *id.* at nota=84196&tabla=nacion; "After Years of Secrecy, Mexico Adopts Freedom of Information Law," *The Washington Post*, May 1, 2002, at A21).

(Sandra Sawicki, 7-9819)

## **VENEZUELA--Conditional Release of Coup Leaders**

The Supreme Court of Justice of Venezuela ruled on April 25, 2002, that high-ranking officers accused of participating in the coup d'état against President Hugo Chavez earlier in the month would be tried while remaining free, with some conditions: they could not leave Venezuela or the metropolitan Caracas area without authorization from the Supreme Court; they were obligated to appear before the Court once a week; and they were banned from participating in meetings, marches, rallies, or any other political activity. The decision was made in accordance with articles 333, 334, and 335 of the Constitution of the Bolivarian Republic of Venezuela, and had a duration of 30 days. ("Court Rules Conditional Release of High-Ranking Coupist [sic] Officers," *Globovision Television*, Caracas, Apr. 25, 2002, via FBIS.)

(Sandra Sawicki, 7-9819)

## **ASIA**

### **CHINA--Import/Export Commodity Inspections**

On April 28, 2002, the Standing Committee of the National People's Congress passed amendments to the Law of the People's Republic of China on Import and Export Commodity Inspection, which was adopted in February 1989. The revised Law will enter into effect on October 1. According to Li Changjiang, chief of the General Administration of Quality Supervision, Inspection and Quarantine, "the amendments are a testimony that the country is conscientiously fulfilling its commitments to the WTO." (*China Daily*, Internet version, May 1, 2002, via FBIS.)

The aim, basis for inspection, and content of inspection of commodities have apparently been changed to conform to WTO rules. Formerly, the stated aim of making and modifying the “List of Import and Export Commodities Subject to Inspection by the Commodity Inspection Authorities” was to meet the needs of developing foreign trade. Under the revised Law, in keeping with the WTO Agreement on Technical Barriers to Trade, inspection is to protect human health and security, protect the life and health of plants and animals, protect the environment, prevent fraud, and maintain national security. The basis for inspection is conformity with national compulsory technological standards. Before these standards come into effect, inspection should be carried out with reference to relevant international standards. Conformity assessment procedures include sampling, testing and inspection, evaluation, verification and assurance of conformity, registration, accreditation, and approval. The Law also now includes new stipulations on confidentiality of inspection information, national treatment, and the legal liability of inspectors for damage caused by their actions, as well as more numerous and more stringent punishments. (*Renmin ribao*, Internet version, Apr. 30, 2002, p. 5, as translated in FBIS.) (W. Zeldin, 7-9832)

### **CHINA–New Occupational Safety Rules**

Effective May 19, 2002, China has new regulations to protect the health of workers. The regulations, issued by the State Council, pertain to employees that work with poisonous and other dangerous materials. The new provisions are expected to reduce the number of illnesses resulting from workplace exposures. In 2001, there were 756 acute poisoning cases, 1,166 chronic poisoning cases, and 13,218 reports of occupational diseases, an increase of 13 % over the previous year.

The new regulations give workers the right to full information about the materials they encounter in their work. Employers, besides being required to improve safety conditions and provide the necessary equipment to protect workers, are liable to punishment if they violate their employees’ right to understand any dangers. Health officials of enterprises may face criminal charges if negligence on the part of employers results in health problems for workers. Those who have suffered from poisoning at work may seek compensation from insurance companies and from their employers and are protected from being fired after exposure to poisonous materials. Certain poisonous substances may not be used at all; factories that do use them may be closed down, fined 50,000-300,000 *yuan* (about US\$6,000-36,000), or be subject to criminal charges. (*China Daily*, May 20, 2002, via <http://www1.chinadaily.com.cn/news/2002-05-20/70233.html>; *Xinhua*, May 20, 2002, via LEXIS/NEXIS, A siapc library.) (Constance A. Johnson, 7-9829)

### **HONG KONG–Financial Law Proposed**

On May 6, 2002, the Securities and Futures Commission of the Hong Kong Special Administrative Region published for public consultation the Securities and Futures (Stock Market Listing) Rules. The Rules are comprised of an order to be issued by the Chief Executive and the Executive Council and rules to be made by the S.C. under the recently enacted Securities and Futures Ordinance (*see* W.B. 2002.04). The proposed rules crack down on persons who lie to or mislead the public in listing documents or company announcements. They set forth the disclosure arrangements for listed companies and listing applicants and regulation by the S.C. They also include minimum changes to enhance the regulatory requirements of disclosure. According to an S.C. press release, “the Hong Kong securities market stakes its credibility on transparency and the integrity of information issued to the investing public,” and its approach of a disclosure-based regulatory regime, in which investor protection is furthered through providing the public

with reliable information and enabling investors to make their own well-informed decisions, is one that has been adopted internationally in all major jurisdictions. (“HK Securities Watchdog Proposes New Financial Law,” *Xinhua*, May 6, 2002, via FBIS.) (W. Zeldin, 7-9832)

### **HONG KONG–New Rules for Foreign Banks**

Foreign banks will be able to establish operations more easily under new rules approved by Hong Kong’s Executive Council; before they become effective, the rules must be approved by the Legislative Council. The requirement that a foreign bank have HK\$16 billion (about US\$2.05 billion) in assets, compared to a base requirement of HK\$3 billion (about US\$385 million) for domestic banks, would be relaxed. The purpose of the proposal is to attract the participation of foreign institutions in the banking sector and maintain the city’s status as an international financial center. There has been a decline in the number of banks operating in Hong Kong, from 361 in 1997 down to 250 in 2001. Banks based in Taiwan and mainland China are expected to be among the first to apply to operate once the new rules come into effect; the reduced asset requirement makes 30 Taiwan banks and 13 Chinese ones eligible to apply for an operating license in Hong Kong. (*China News Digest Global Edition*, May 11, 2002, <http://www.cnd.org/Global/02/05/11/020511-2.html>; *AF-Asia*, May 13, 2002, via LEXIS/NEXIS, Asiapc Library.) (Constance A. Johnson, 7-9829)

### **SINGAPORE–Tax Cuts**

On May 3, 2002, the government announced a budget plan for the 2002-2003 fiscal year that incorporates cuts in corporate and personal income taxes. The goal is to become more competitive by reducing business costs. Corporate taxes will be reduced in the first year from 24.5% to 22%, with an eventual reduction to 20% within three years. Similarly, individual income taxes will first come down to 22% from 26% and will reach 20% in three years. The cuts will result in a rate that is lower than those of China, Malaysia, and Taiwan, yet still higher than Hong Kong’s 16%. In order to maintain fiscal surpluses, the government will balance these tax reductions with an increase in the value-added tax, from 3% to 5%, thus moving some of the tax burden from corporations to consumers.

The overall cuts represent a change in the basic approach from the previous policy of imposing relatively high taxes and then adopting tax incentives that greatly reduced corporate taxes for selected industries. Some special incentives will, however, remain. There will be a double tax deduction for approved research and development expenses in service companies, a lowered minimum rate of 5% under the Development and Expansion Incentive, and improved tax incentives for the wealth and asset management industries. (*EIU ViewsWire*, May 3, 2002, via LEXIS/NEXIS, Asiapc Library.) (Constance A. Johnson, 7-9829)

### **TAIWAN–Immigration Law Amended**

On May 14, 2002, the Legislative Yuan of the Republic of China (ROC) on Taiwan approved amendments to the Exit and Entry and Immigration Law of 1999. Under the revised Law, foreigners who have made special contributions to or who possess sophisticated technological expertise needed by Taiwan can be granted permanent residence upon approval of their applications by a special screening commission that will be set up by the relevant government agencies. This exempts the applicants from restrictions in

the current law, which stipulates that foreigners who apply for permanent residency must have legally resided in Taiwan for seven consecutive years and remained in the ROC for at least 270 days each year. The revised law reduces the required period of stay to 183 days per year.

Foreigners who have legally resided in the ROC for over 20 years and remained in Taiwan for more than 183 days for 10 of those years are also eligible for permanent residence. In addition, permanent residency requirements have been eased for the spouses of ROC citizens and their children. They must have legally resided in Taiwan for five consecutive years, or for more than 10 years at least five of which they stayed on the island for over 183 days per year. In the past, they had to have legally resided in the ROC for more than 15 years, for stays of more than 183 days for eight of those years. (Taipei *Central News Agency*, May 14, 2002, via FBIS.)  
(W. Zeldin, 7-9832)

### **TAIWAN–Legislative Restructuring Proposal**

The Government Reform Committee, chaired by President Chen Shui-bian, announced on May 5, 2002, a proposal to move toward a “two-vote and single member districts” system, together with a reduction in the total number of legislators. A schedule was set for enacting a constitutional amendment, which would be necessary to accomplish the reform: the proposal will be reviewed this year in the Legislative Yuan (the parliament) and would be up for approval by the National Assembly, a separate representative body with the power to amend the Constitution, by the end of August 2003. If approved, the new system would be implemented in 2005.

The legislature would be reduced from 225 members to 150 members, 84 from district constituencies, 6 from the aboriginal population, and 60 at large. Of the seats for at-large legislators, four would be held by overseas representatives. Terms would be four years, in place of the current three-year incumbency. The proposal is to have eligible voters cast two ballots, one for individual candidates and one for political parties. At-large seats would be allocated to the parties based on the number of party votes obtained. To increase participation by women, the parties will be required to have at least 25% women among their nominees, both for the at-large seats and the district constituencies. (*Taiwan News* Internet version, May 6, 2002, via FBIS; *China News Digest Global Edition*, May 5, 2002, <http://www.cnd.org>)  
(Constance A. Johnson, 7-9829)

## **EUROPE**

### **CZECH REPUBLIC--Asylum Law**

The Law on Asylum was amended last November; the amendment took effect as of February 1, 2002 (Law No. 325/1999, amended Nov. 27, 2001, Law No.2 of 2002, *Collection of Laws*). An asylum seeker now can make a declaration of intention to apply for asylum, orally or in writing, to the police at the border, at the office of the police, or to the Ministry of Interior within 7 days of being informed by the police that he or she can do so. The person is entitled to free accommodation, food, health care, and other services. An entry visa is issued for a stay of 30 days. An application for asylum must be filed with the Ministry of Interior, which will grant asylum if it is found that the person is being persecuted for political reasons in his or her home state or state of residence or is fearful of persecution because of race, religion, nationality membership in a particular social group, or adherence to certain political views. Asylum can also be granted for family reunification and humanitarian reasons.

Asylum will not be granted if the applicant lists only economic reasons, comes from a state considered to be a safe country, has more than one citizenship and did not settle in a country which is safe, makes claims that are clearly untrustworthy, or destroys or conceals travel documents. An asylum application can be denied for apparent untrustworthiness only within 30 days of the initiation of asylum proceedings. Otherwise, the Ministry must make a decision within 90 days of initiation of the proceedings. An appeal may be filed with the Minister of Interior against a denial of asylum; he will decide on the recommendation of a special commission to consider the appeal. A further appeal may be made to the court. The applicant must leave the country within 30 days of denial of an appeal made to the court.

(George E. Glos, 7-9849)

### **RUSSIAN FEDERATION--Campaign Financing Regulations**

The Law on Political Parties, which entered into force recently, provides for State funding of political organizations, with the amount for each party dependent on the number of voters who support them. Government subsidies to political parties will amount to 0.002% of minimum monthly remuneration for labor multiplied by the number of votes a party has received in the national parliamentary elections. Only those political parties that gather no less than 3% of votes at the presidential or parliamentary elections will be eligible for State financing, which will become available as of 2004. At the same time, all registered political parties will be obliged to report on their revenues and expenses to the Federal Ministry for Taxation and Revenues. The Law allows political parties to have only one bank account and requires them to disclose the proceeds of the sale of any party property. The amount of donations is also limited. Legal entities are allowed to deposit in the party bank account no more than \$3 million a year, and individuals are permitted to donate no more than \$30,000. (11 *Sobranie Zakonodatelstva Rossiiskoi Federatsii* [Russian official gazette] 2002, Item 942.)

(Peter Roudik. 7-9861)

### **RUSSIAN FEDERATION--First Decision of the European Court on Human Rights Against Russia**

For the first time, the European Court on Human Rights in Strasbourg heard a case against the Russian Federation and ruled for the plaintiff, who suffered radiation poisoning in the clean-up operation after the Chernobyl nuclear plant explosion in 1986 and fought for four years for compensation. He was awarded *Euro* 3,000 in damages.

The Court upheld the claim on May 6, 2002, and said the plaintiff was treated unfairly because the Russian social security service delayed his compensation payments. Rejecting the social security service's excuse that it was underfinanced, the Court stated that non-payment amounted to denying the plaintiff a fair trial, to breach of article 1 of Protocol No. 1 of the European Convention for the Protection of Human Rights, and to breach of the right to property, since he had earned his benefits during the Chernobyl clean-up operation and they were thus his property. "The Court considers that the lack of funds could not justify such an omission," it said in a statement. Despite the fact that the plaintiff won three cases in Russian courts against the social security administration and received his compensation in March 2000, the importance of the ruling is in its denunciation of delays in compensation payments. To date, seven thousand cases have been brought against Russia by individuals and legal entities since the country joined the European Convention on Human Rights and the Court. Three thousand of the cases are under consideration and requests for information have been sent to the Russian authorities in connection with 70 cases. (<http://www.gazeta.ru>, visited May 8, 2002.)

(Peter Roudik, 7-9861)

### **UNITED KINGDOM–Further Restrictions on Asylum Seekers**

As part of a raft of measures to improve the asylum system and to tackle abuses, the government has introduced several amendments to a Nationality and Asylum Bill, including:

- sending economic refugees whose applications to live in the United Kingdom have been rejected back to their countries of origin within a few days, from where they will be able to launch any appeals against the rejections. If their country of origin is considered to be unsafe because of war or their fear of persecution, the refugees will be returned to the last safe country they came through;
- removing of refugees who are found guilty of a criminal offense and receive a custodial sentence of two years, and who are deemed to pose a danger to the community;
- levying a new variable-level penalty of up to £4000 against carriers who bring illegal immigrants into the country by road or rail (to replace a former flat-rate penalty of £2000 per migrant); and
- allowing the custody function in refugee detention and removal centers to be undertaken by prison officers on a more permanent basis.

The announcement of these amendments followed the publication of official figures showing that the number of asylum seekers was over 19,500 in the first quarter of 2002, up 8 percent from the previous quarter and the highest since the end of 2000. The number of people removed from the country after failing to obtain asylum was 2,445, only a third of the government's target of 7,500 in each quarter.

Nationality provisions in the Bill further a new citizenship agenda that would require those granted British nationality to learn the national languages (English, Welsh, or Scottish Gaelic) and have knowledge about British society. A citizenship ceremony, together with a citizenship pledge, would also be introduced. The Bill implements proposals included in the White Paper "Secure Borders, Safe Haven: Integration and Diversity in Modern Britain" (Cm. 5387, Feb. 2002). ([Http://www.publications.parliament.uk/pa/cm/200102/cmbills/119/2002119.htm](http://www.publications.parliament.uk/pa/cm/200102/cmbills/119/2002119.htm); Home Office, *Trust and Confidence in Our Nationality, Immigration and Asylum Bill*, Apr. 12, 2002.)

(Kersi Shroff, 7-7850)

### **UNITED KINGDOM–Asbestos Claims Upheld**

In a ruling expected to provide the largest compensation for any industrial disease, the House of Lords reversed decisions of the Court of Appeal and the High Court that compensation for asbestos-related diseases could not be paid where workers were exposed to the dust by more than one employer. One of the three claims upheld by the Law Lords was by a widow of a worker who died from mesothelioma in 1996, at age 60. He was exposed to substantial quantities of asbestos when he worked for a local government in the 1960s and again six years later when he took up a job with a private company. The ruling affects 500 pending cases as well as thousands of other claims from workers who are dying from the same disease. (Robert Verkaik, "Asbestos Victims To Get £8bn After Court Victory," *The Independent*, June 1, 2002.)

(Kersi Shroff, 7-7850)

## INTERNATIONAL LAW & ORGANIZATIONS

### ASEAN–Anti-Terrorism Communique

At the end of the two-day Special ASEAN (Association of Southeast Asian Nations) Ministerial Meeting on Terrorism, attended by the ministers of home and security affairs from the 10-nation organization, ASEAN member states issued a 16-point communique. Among others, the communique outlines the group's efforts to counter, prevent, and suppress all forms of terrorist acts; condemns acts of terrorism in all forms and manifestations; and asserts ASEAN's commitment to carry out the work program on terrorism adopted during the meeting.

The work program, which is the vehicle for implementing the ASEAN Plan of Action To Combat Transnational Crime, sets forth six areas in which to carry out the Plan. These include: exchange of information; compilation and dissemination of relevant laws and regulations of ASEAN member countries; compilation and dissemination of bilateral and multilateral agreements and provision of information on relevant international treaties; development of multilateral or bilateral legal arrangements to facilitate apprehension, investigation, prosecution, extradition, inquiry, and seizure, in order to enhance mutual legal and administrative assistance among ASEAN member states; enhancement of cooperation and coordination in law enforcement and intelligence sharing; and development of regional training programs. ASEAN also agreed to undertake six anti-terrorism-related projects and initiatives, among them, designation of principal contact points on counter-terrorism matters in all member states. (“Xinhua: ASEAN States Resolve To Combat Terrorism ‘Collectively,’” *Xinhua*, May 21, 2002, via FBIS.) (W. Zeldin, 7-9832)

### AUSTRALIA/AFGHANISTAN–Refugee Return Agreement

In Kabul, Australia's Minister for Immigration signed an agreement with the interim government of Afghanistan which provides for the return of Afghan asylum-seekers who are not granted refugee status in Australia. The Australian government had earlier announced a program of resettlement payments to refugee Afghans wishing to return. The agreement also includes an A\$10 million (about US\$5.4 million) grant to the interim Afghan government for infrastructure projects. (Government of Australia, *Immigration Media Release*, May 17, 2002 at [http://www.minister.immi.gov.au/media\\_releases/media02/40234.html](http://www.minister.immi.gov.au/media_releases/media02/40234.html)) (D. DeGlopper, 7-9831)

### AUSTRALIA/EAST TIMOR--Treaty for Joint Offshore Oil Development

On May 20, 2002, its first day as an independent nation, East Timor signed a Timor Sea Treaty with Australia. It provides for joint development of offshore oil and gas fields in a delimited area between Timor and northern Australia. Revenue from the area will be split, with 90 percent going to East Timor. The maritime boundary between the two nations is undefined and will be the subject of future negotiations. The Treaty-defined Joint Petroleum Development Area covers only a small portion of the sea floor which contains potentially valuable oil and natural gas deposits, and delimitation of the boundary will have major economic consequences for both parties. (Government of Australia, Ministry of Foreign Affairs, *Media Release*, May 17, 2002 at [http://www.foreignminister.gov.au/releases/2002/fa71\\_02.html](http://www.foreignminister.gov.au/releases/2002/fa71_02.html); “Threat to Take

Australia to Court Over Share of Seabed Wealth,” *The Canberra Times*, May 20, 2002.)  
(D. DeGlopper, 7-9831)

#### **CHILE/EUROPEAN UNION–Free Trade Agreement**

On April 26, 2002, after two years of negotiation, representatives of the government of Chile and of the European Union, meeting in Brussels, arrived at an agreement on free trade that will form part of a broader pact to encourage economic and political cooperation between Chile and the European bloc. The treaty will liberalize annual exports from Chile to the nations of the European Union (valued at US\$3,590,000); it also includes agreements on European access to the Chilean fishing industry and use of recognized European geographic trademarks (such as champagne and cognac) by Chilean companies. The free trade treaty will include products from all sectors, but will benefit the industrial, fishing, and agricultural sectors the most. The section of the treaty dealing with wines and liqueurs features a high level of mutual protection for geographic trademarks and allows the partners to have access to markets for fine wines. (“The EU and Chile Arrive at a Free Trade Agreement,” *CNNenEspanol.com*, Apr. 26, 2002, via <http://www.cnnenespanol.com/2002/econ/04/26/ue.chile.reut/index.html>)  
(Sandra Sawicki, 7-9819)

#### **CHINA/CENTRAL ASIA–Border Agreements, Anti-Terrorism Cooperation**

A controversial border agreement signed in 1999 was approved by the Kyrgyzstan parliament on May 17, 2002. By the favorable vote of 30 of the 38 members, the upper house concurred with the decision of the lower house earlier this month to accept the accord. The agreement covers the disposition of territory that was in dispute, with 70% going to Kyrgyzstan and 30% to China.

On the same day, a joint statement was issued by the presidents of China and Tajikistan, announcing that they had reached a general consensus on regional issues. The two countries signed an agreement on border issues, among other documents. The joint statement referred to the efforts to pass the Shanghai Cooperation Organization charter and establish an anti-terrorism agency for the group to be located at Bishkek, Kyrgyzstan. (*China News Digest Global Edition*, May 18 & 19, 2002, <http://www.cnd.org/Global/02/05/18/020518-91.html> & <http://www.cnd.org/Global/02/05/19/020519-2.html>.)  
(Constance A. Johnson, 7-9829)

#### **JAPAN/NORTH KOREA–Talks on Humanitarian Issues**

On April 30, 2002, Red Cross talks between Japan and the Democratic People’s Republic of Korea (DPRK) on sensitive humanitarian issues ended in a four-point agreement. Previous talks, held in March 2000, had been unsuccessful and are reported to have ended in acrimony. According to the Agence France Presse, the resolution of the issues “marks a notable step forward in relations and could unlock vast amounts of Japanese aid to famine-stricken North Korea.”

Under the agreement, the DPRK will investigate the whereabouts of Japanese nationals allegedly kidnaped by North Korean agents; Japan will search for North Koreans allegedly missing in Japan since 1945; Japan will provide assistance to the victims of Hiroshima and Nagasaki atomic bombs now living in North Korea; and a fourth round of home visits by Japanese spouses of North Koreans living in the DPRK

will take place. Further Red Cross talks between the two countries are to be held in June. (“Japan-DPRK Red Cross Talks End with Agreements on Searches for ‘Missing,’ Home Visits,” Hong Kong *AFP*, Apr. 30, 2002, via FBIS; “AFP: Accord Reached in Japan-DPRK Red Cross Talks in Beijing,” *id.*) (W. Zeldin, 7-9832)

#### **JAPAN/UNITED STATES–Securities Accord**

The Financial Services Agency (FSA) of Japan has signed an accord with the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) of the United States to exchange information on supervision of securities firms and market transactions. According to FSA Minister Hakuo Yanagisawa, the accord was signed “to prevent illegal transactions at a time when the volume of cross-border financial transactions is growing,” and it will set the stage for future arrangements in kind. FSA officials said that Japan signed a similar accord with China in 1997 and with Singapore in December 2001 and that talks on the subject are under way with Great Britain and Hong Kong. (*Kyodo*, May 17, 2002, via FBIS.) (W. Zeldin, 7-9832)

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## ***LAW LIBRARY CONGRESSIONAL LEGAL INSTRUCTIONAL PROGRAM***

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## **LAW LIBRARY RESEARCH REPORTS**

*(for copies of these and other LL products, call the Office of the Law Librarian, 7-LAWS)* One of the ways in which the Law Library serves Congress is by providing in-depth analyses of how other societies handle some of the same legal issues faced in this country. Some recently prepared studies are:

**Terrorism: Foreign Legal Responses**

**Cybercrime and Terrorism**

**Hague Convention Countries–Applicable Law and Institutional Framework**  
(<http://travel.state.gov/abduct.html>)

**Corporate Governance and Accounting Standards**

**Cloning**

**Public Health Emergency Legislation in Other Nations**

## **FOREIGN LAW BRIEFS –current titles**

*Compensation For Victims of Terrorist Actions: Israel as a Case Study*, by Ruth Levush, May 2002. No. LL-FLB2002.01

*The Netherlands: Same Sex Couples–Registered Partnership, Marriage and Adoption*, by Karel Wennink  
Oct. 2001. No. LL-FLB2001.04

*The New Russian Code of Criminal Procedure*, by Peter Roudik, Sept. 2001. No. LL-FLB 2001.03

*Japan: Recent Legal Developments in Health Care*, by Sayuri Umeda, July 2001. LL-FLB 2001.02

*Capital Punishment in Foreign and International Law*, by Constance Johnson, June 2001. LL-FLB 2001.01

**Recent Publications from Great Britain Obtainable from the Law Library**

Direct Line Motor Insurance. THE MOBILE PHONE REPORT. London: Direct Line Press Office, Mar. 2002. 25 pp.

This insurance company report details the effects of hand-held and hands-free mobile phone usage on driving. The study quantifies the impairment from both types of phone usage in relation to the decline in driving performance caused by alcohol impairment. Using a driving simulator and healthy, experienced drivers, male and female, between the ages of 21 and 45 years old, the research found that drivers' reaction times were significantly slower when using a mobile phone, increasing the risk and severity of collisions. Drivers' reaction times were 30% slower using the hand-held phone than when drunk and nearly 50% slower than under normal driving conditions. Drivers were less able to maintain a constant speed and found it more difficult to keep a safe distance from the car in front. While drivers using a hands-free mobile phone performed better than drivers using hand-held phones, they still proved to be more dangerous than an alcohol-influenced driver. Drivers using either hand-held or hands-free mobile phones significantly missed more road warning signs than drunk drivers did.

European Observatory on Health Care Systems. HEALTH CARE SYSTEMS IN EIGHT COUNTRIES: TRENDS AND CHALLENGES. London: London School of Economics and Political Science, Apr. 1, 2002. 124 pp.

Using the UK health care system as the point of comparison, the report includes a selection of eight countries representing the diversity of international experience of both funding and delivering health care. Denmark and Sweden represent the decentralized system of health care funding and delivery that is common in Scandinavia. Germany and the Netherlands provide examples of social health insurance systems combined with private health insurance for high-income earners. France illustrates the centralized model of social health insurance, offering universal coverage with a combination of public, private non-profit, and for-profit providers. Australia and New Zealand have predominately tax-financed systems of health care, with differing degrees of decentralization.

House of Commons. STRENGTHENING THE BIOLOGICAL AND TOXIN WEAPONS CONVENTION: COUNTERING THE THREAT FROM BIOLOGICAL WEAPONS. Cm. 5484. London: The Stationery Office, Apr. 2002. 17 pp.

This green paper discusses UK priorities and the next steps for the Biological and Toxin Weapons Convention Fifth Review Conference. The report is designed to outline the nature of the threat posed to international security by biological weapons, review the arms control efforts to which the UK has contributed over the last decades to combat the threat, and describe possible measures the UK might pursue to strengthen the Convention and counter the threat of biological warfare.

## RECENT DEVELOPMENTS IN THE EUROPEAN UNION

Prepared by Theresa Papademetriou, Senior Legal Specialist, Western Law Division\*

### EU-Canada Summit<sup>1</sup>

At the European Union-Canada summit held in Spain, on May 8, 2002, the two parties agreed to cooperate:

- a) in the fight against terrorism and in the field of justice and home affairs. They agreed specifically on increased cooperation among judicial and police authorities, on combating terrorist financing, and on improving immigration and border control;
- b) in the field of foreign policy, security, and defense. They agreed to facilitate Canada's participation in crisis management operations; to reiterate their support for UN Security Council Resolutions on the Middle East that call for the two States, Israel and Palestine, to be within secure and recognized borders; and to welcome the entry into force of the Rome Statute of the International Criminal Court on July 1, 2002; and
- c) in the fields of research and development and science and technology, trade and economic issues, and the environment and sustainable development.

### European Parliament Votes for the Directive on Data Protection in the Electronic Communications Sector<sup>2</sup>

On May 30, 2002, the European Parliament accepted the latest version of the text of the Directive, which was negotiated between the European Commission, the Parliament, and the Spanish Presidency. Some important aspects of the accepted provisions include:

- adoption of an “opt-in” approach to unsolicited commercial e-mail. The system will cover SMS [short message service] messages and other electronic messages transmitted to any mobile or fixed terminal;
- use of devices that indicate the exact whereabouts of mobile users will be prohibited without the explicit consent of the user; and
- cookies and other invisible tracking devices to collect information on users on the Internet may be employed only if the user is provided with sufficient information on the purpose of such devices. The user must have the option to accept or reject these devices.

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<sup>1</sup> [Http://europa.eu.int/com m/external\\_relations/canada/sum 05\\_02/index.htm](http://europa.eu.int/com m/external_relations/canada/sum 05_02/index.htm)

<sup>2</sup> [Http://europa.eu.int/rapid](http://europa.eu.int/rapid)

### **Major EU Reform Proposed by the European Commission<sup>3</sup>**

In presenting its position on reforms to the Convention on the Future of Europe, the European Commission made a number of substantial recommendations, including:

- strengthening of coordination of budgetary and economic policies of the Member States;
- improving external border control that would eventually lead to a common European Border Guard;
- abolishing the “three pillar” structure (i.e. the European Community, the common foreign and security policy, and cooperation in justice and home affairs) and substituting a single constitutional text based upon the Charter of Fundamental Rights; and
- reducing the number of decision-making rules in order to simplify the current system.

### **The European Group on Ethics Publishes Its Latest Opinion<sup>4</sup>**

On May 7, 2002, the European Group on Ethics in Science and New Technologies (EGE) delivered its opinion on the “Ethical Aspects of Patenting Inventions Involving Human Stem Cells” to the President of the Commission. Some of the key points are:

- human stem cell lines that have been modified by an inventive process to receive new characteristics are subject to patent; thus those stem cells that have been isolated and cultured but not modified should not be considered for patent;
- cloning techniques that aim to obtain human embryonic stem cells for therapeutic purposes should be handled cautiously, considering the fact that such techniques are not patentable; and
- an EU registry of unmodified human stem cell lines, which will include embryonic stem and embryonic germ cell lines, should be created.

### **EU Announces Plan To Sign the International Treaty on Plant Genetic Resources for Food and Agriculture<sup>5</sup>**

This Treaty, which was approved by the Conference of the UN Food and Agriculture Organization (FAO) in November 2001 in Rome, is open for signature until November 2002. The European Union and its Member States had participated in the negotiation of the Treaty and announced their intentions to sign it in early June 2002, hoping that other states will follow suit. The objective of the Treaty is to safeguard the most important agricultural plant species while ensuring free access to plant genetic resources for research and breeding.

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

**EU Recognizes Russia as “Market Economy”<sup>6</sup>**

On May 29, 2002, during the EU-Russia summit, the President of the European Commission announced that the European Union would grant Russia the formal status of a “market economy.” The EU is the first trading partner of Russia to make this announcement which was prompted by Russia’s perceived overall progress. This action carries political symbolism, but it will also facilitate Russia’s eventual accession to the WTO. In addition, Russia will draw direct benefits in anti-dumping cases from the EU recognition, since such cases will be reviewed in the light of criteria that reflect the country’s existing situation.

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<sup>6</sup> *Id.*