

Interim Provisions for the Granting of Rights of Self-Managed Import and Export to Privately-Owned Production Enterprises and Scientific Research Academies and Institutes

(Approved by the State Council on September 2, 1998 and promulgated by the Ministry of Foreign Economic Relations and Trade on October 1, 1998)

Article 1 These Provisions are formulated in accordance with the Foreign Trade Law of the People's Republic of China for purposes of deepening the reform of the foreign trade system, sustaining and guiding the sound development of the nonpublic economy, and actively promoting the privately-owned production enterprises or scientific research academies and institutes in participating in international competition.

Article 2 The privately-owned production enterprises and scientific research academies and institutes referred to in these Provisions mean the production enterprises or scientific research institutions of capital under private ownership or holdings by private capital registered according to law (including sole-proprietorship enterprises, partnership enterprises, limited liability companies and joint-stock companies limited).

Article 3 Application Qualifications

I. A privately-owned production enterprise possessing the following requisites simultaneously may apply for rights of self-managed import and export:

(1) an enterprise which has already entered into registration at the organ of industry and commerce administration of the locality wherein the production enterprise is located, has obtained a business licence and has a registered capital and net assets both more than RMB 8.5 million Yuan;

(2) the annual sales revenue and volume of export supply amount to more than RMB 50 million Yuan and US\$ 1 million respectively for two consecutive years (the annual sales revenue and volume of export supply of an enterprise for electrical and mechanical products amount to more than RMB 30 million Yuan and US\$ 500000 respectively); and

(3) having specialized personnel required for self-managed import-export business operations.

II. A privately-owned scientific research academy or institute (including new and high-tech enterprise) possessing the following requisites simultaneously may apply for rights of self-managed

import and export:

(1)an academy(institute or enterprise) that has already entered into registration at the organ of industry and commerce administration of the locality wherein it is located, has obtained a business licence and has a registered capital and net assets both more than RMB 8.5 million Yuan;

(2)the annual sales revenue of the scientific research academy or institute amounts to more than RMB 3 million Yuan, the annual sales revenue of the new and high tech enterprise confirmed by the competent department of science and technology above the provincial level amounts to more than RMB 30 million Yuan(the annual sales revenue of the development-type new and high-tech enterprise amounts to more than RMB 10 million Yuan); and

(3)having specialized personnel required for self-managed import-export business operations.

Article 4 Application Materials Submission

1.An application report for rights of self-managed import and export of the privately-owned production enterprise or scientific research academy or institute;

2.Articles of association of the enterprise or academy(institute);

3.The business licence of the legal entity(photocopy of the original);

4.Certification of the enterprise passing annual inspection for two consecutive years and certification of assets issued by the organ of industry and commerce administration;

5.A catalog of commodities for self-managed import and export under application;

6.Certification of export supply issued by the foreign trade enterprise for export agency;

7.Certification of tax payment issued by the tax department above the county level; and

8.In the case of a new and high-tech enterprise, a certificate of new and high-tech enterprise issued by the competent department of science and technology is required to be produced.

Article 5 Application and Examination and Approval Procedures

A privately-owned production enterprise or scientific research academy(institute) shall file an application in writing with the competent department of foreign economic relations and trade of the locality of registration which shall, upon examination of the competent deprtment of foreign economic relations and trade of the provinces,

autonomous regions, municipalities directly under the Central Government and municipalities under direct planning by the state, be submitted to the Ministry of Foreign Economic Relations and Trade (hereinafter referred to as MFERT for abbreviation) for examination and approval.

Article 6 The privately-owned production enterprise or scientific research academy (institute) that has obtained the rights of self-managed import and export upon approval shall, on the strength of the approval document, go through the relevant formalities at departments of customs, entry and exit inspection, foreign exchange control, industry and commerce administration and taxation, and apply for the obtainment of a certificate of qualification of import-export enterprise from the competent department of foreign economic relations and trade of the provinces, autonomous regions, municipalities directly under the Central Government and municipalities under direct planning by the state, then conduct self-managed import-export business operations. Separation, amalgamation and change in the catalog of commodities for self-managed import and export of a privately-owned production enterprise or scientific research academy (institute) with the obtainment of rights of self-managed import and export must be submitted to MFERT for approval; change in enterprise name shall be subject to advance verification and approval of the name by the organ of industry and commerce administration and submitted to MFERT for corresponding formalities of approval; cases of nullification shall be submitted to MFERT for the record.

Article 7 Rights and Obligations

The rights enjoyed by and obligations to be undertaken by the privately-owned production enterprise and scientific research academy (institute) with the obtainment of rights of self-managed import and export upon approval are as follows:

1. It may directly engage in self-managed import-export business operations.

2. It may, within the approved import-export business scope, operate export business of the self-produced products of the said enterprise or academy (institute) and operate import business of machinery and equipment, spare parts and components, raw materials and auxiliary materials required for the production and scientific research of the said enterprise or academy (institute).

3. It may apply to join the chamber of commerce for import and export, participate in relevant foreign economic and trade activities

organized by the competent departments of foreign economic relations and trade of the state or the locality, and receive guidance from the state foreign trade policy.

4. It may, in conducting self-managed import-export trade activities, enjoy identical treatment enjoyed by publicly-owned production enterprises or scientific research academies (institutes) with self-managed import-export business operations.

5. It shall abide by the policy, laws and regulations relating to foreign trade.

6. It shall subject itself to the supervision, administration and coordination of the competent department of foreign economic relations and trade and the chamber of commerce for import and export.

7. It shall actively promote export for foreign exchange earning.

Article 8 The competent departments of foreign economic relations and trade at all levels should, with respect to the conduct of import-export business by privately-owned production enterprises or scientific research academies (institutes) with the obtainment of rights of self-managed import and export, render active support, strengthen guidance and do a good job in providing services and standardized administration.

Article 9 Privately-owned production enterprises or scientific research academies (institutes) with the obtainment of rights of self-managed import and export shall, in the event of violation of the provisions of relevant state policies, be imposed the penalties of meteing out criticism in a circular, administering a warning or revocation of rights of self-managed import and export.

Article 10 The Ministry of Foreign Economic Relations and Trade shall be responsible for the interpretation of these Provisions.

Article 11 These Provisions shall come into force as of January