

**Notice of the Ministry of Foreign Trade and Economic Cooperation on the
Registration of Import and Export Trading Right by State-owned and
Collective Production Enterprises**

January 4, 1999

Ministries, Commissions and affiliate agencies of the State Council, Foreign Economic and Trade Commissions (Bureaus) of provinces, autonomous regions, municipalities under direct supervision of the central government and municipalities of independent budgetary status:

For the purposes of furthering the reform on foreign trade regime and promoting and supporting more competent production enterprises to participate in international competition, the Ministry of Foreign Trade and Economic Cooperation decides, in accordance with the Notice of Taking Further Measures to Stimulate Export Trade, to expand the application scope of registration of import and export trading right, that is, to register import and export trading right by state-owned and collective production enterprises within the territory of the country on the basis of registration of import and export trading right by production enterprises in the Special Economic Zones, a thousand priority enterprises and large-sized state-owned enterprises. Related affairs are hereby noticed as follows:

1. State-owned and collective production enterprises (hereinafter referred to as "production enterprises") referred to in this Notice refer to enterprises whose ownership are identified as "state-owned" and "collective" in the business licenses of legal persons, and limited liability companies and limited joint-stock companies identified as state-owned ones and those with majority collective ownership by relevant government departments.
2. Production enterprises applying for registration of import and export trading right shall meet the following requirements:
 - (1) Registered capital of the production enterprises shall be over five million RMB yuan. (Registered capital of those in minority areas and central and west regions shall be over three million RMB yuan). Registered capital of the production enterprises producing electronic and machinery products shall be over two million RMB yuan.
 - (2) The production enterprises must possess a fixed production site and facilities, capital and specialized personnel required for import-export business operation.

(3) The production enterprises must have already started production and self-produced quality products are available for export.

(4) Products of the production enterprises must meet the qualitative requirement for export.

3. Production enterprises shall apply for the registration of import and export trading right to foreign economic and trade authorities of respective provinces, autonomous regions, municipalities under direct supervision of the central government and municipalities of independent budgetary status where these enterprises have registered. Production enterprises having registered in the State Administration of Industry and Commerce shall apply to foreign economic and trade authorities of respective provinces, autonomous regions, municipalities under direct supervision of the central government and municipalities of independent budgetary status where these enterprises operate their business.

4. Foreign economic and trade authorities of provinces, autonomous regions, municipalities under direct supervision of the central government and municipalities of independent budgetary status shall register the production enterprises and issue the Registration Certificate of Import and Export Trading Right of Production Enterprises (see the forms in the annex) within ten working days after receiving the applications of these enterprises and consulting with local economic and trade commissions. The production enterprises shall be able to conduct import and export business after obtaining the Certificate of Import and Export Enterprises of the People's Republic of China from foreign economic and trade authorities of respective provinces, autonomous regions, municipalities under direct supervision of the central government, and municipalities of independent budgetary status by finishing required procedures with related authorities including the Customs, Commodity Inspection, Foreign Exchange Control, Industrial and Commercial Administrations and Taxation with the Certificate.

5. The production enterprises shall submit following materials when applying for import and export trading right:

(1) Application in written forms (including related contents in the Registration Certificate of Import and Export Trading Right);

(2) A copy of the business license;

(3) A catalogue of import and export products to be handled;

(4) Original certificate of state or collective ownership by industrial and commercial administrations, auditing agencies, or accounting firms when the production

enterprise is a limited liability company or a limited joint-stock company;

(5) Other materials required by registration authorities.

6. Import and export business scope of the production enterprises includes:

(1) Import and export of self-produced products (including products produced by member enterprises of the same group);

(2) Import and export of machinery equipment, components, and raw and auxiliary materials need in the production and scientific research of the enterprises (including member enterprises of the same group);

(3) Processing trade of imported materials or according to supplied samples, assembling of supplied parts, and compensation trade conducted by the enterprise (including member enterprises of the same group).

The import and export business scope and the commodity catalogue of the production enterprise shall be verified by the Ministry of Foreign Trade and Economic Cooperation and foreign economic and trade authorities of respective provinces, autonomous regions, municipalities under direct supervision of the central government and municipalities of independent budgetary status.

7. Production enterprises that have registered and obtained import and export trading right must abide by relevant laws, regulations and trade policies of the state, and their import and export business shall be subject to guidance and supervision of local foreign economic and trade authorities as well as the coordination of relevant chambers of importers and exporters. Production enterprises will be imposed administrative penalties by the Ministry of Foreign Trade and Economic Cooperation in accordance with the Foreign Trade Law of the People's Republic of China if they violate relevant laws or regulations.

8. The Ministry of Foreign Trade and Economic Cooperation is responsible for organizing and implementing the registration of import and export trading right by production enterprises. Reports shall be submitted by foreign economic and trade authorities of provinces, autonomous regions, municipalities under direct supervision of the central government, and municipalities of independent budgetary status to the Ministry of Foreign Trade and Economic Cooperation every half year for record and also to the State Economic and Trade Commission and local commissions.

(Annex: omitted)