

RESPONSES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

Notification pursuant to Article 7.3 of the
Agreement on Import Licensing Procedures

CHINA

The following communication, dated 9 November 2010, is being circulated at the request of the delegation of the People's Republic of China.

Outline of System

1. Import licensing in China can be divided into the following categories:
 - (a) import license administration.
 - (b) automatic import licensing.
 - (c) import tariff rate quota administration.

Purposes and coverage of licensing

2. Import license administration is applicable to all the products subject to import restriction, currently including 87 8-digit tariff headings of ozone layer depleting substances and second-hand/used mechanical and electrical products:

84194010	84262000	84281010	85016420	85153190	84431200	89039900	29034910
84194020	84264110	84281090	85016430	85153900	84431400	89011090	38247100
84194090	84264190	84284000	85021100	85158000	84431500	89019090	38247400
84196090	84264910	84286021	85021200	84198100	84431600	84439990	
84198990	84264990	84286029	85021310	84212200	84431980	29031910	
84541000	84269100	84391000	85021320	84223010	84463040	29033990	
84542090	84269900	84392000	85022000	84342000	84472020	29034100	
84543090	84271010	84393000	85023900	84381000	84514000	29034200	
84253190	84271020	85016100	85152110	84385000	84531000	29034300	
84261930	84272010	85016200	85152190	84335100	89011010	29034400	
84261941	84272090	85016300	85152900	84335990	89031000	29034510	
84261942	84279000	85016410	85153110	84341000	89039200	29034600	

Automatic import licensing is applicable to products free from import restriction, but the importation of which needs monitoring, including 587 8-digit tariff headings:

02071100	74082900	84082090	88024010	84414000	85016100	88052900	72209000
02071200	74091110	87012000	88024020	84418090	85016200	89019050	72210000
02071311	74091190	87021092	89011010	84431100	85016300	89040000	72221100
02071319	74091900	87021093	89012011	84431311	85016410	89051000	72221900
02071321	74092100	87029020	89012021	84431312	85016420	90181100	72222000
02071329	74092900	87029030	89012031	84431313	85016430	90181210	72223000
02071411	74093100	87032130	89012090	84431319	85021200	90181291	72224000
02071419	74093900	87032140	89019021	84431390	85021310	90181300	72230000
02071421	74094000	87032150	89019031	84431921	85021320	90221200	72251100
02071422	74099000	87032190	89019041	84431929	85042100	90221300	72261100
02071429	74101100	87032230	89019080	84431980	85042200	90221400	73041110
05040021	74101210	87032240	89019090	84439111	85042311	90229010	73041120
15071000	74101290	87032250	89020010	84439119	85042312	90229090	73041130
15079000	74102110	87032290	89052000	84439190	85042313	26011110	73041190
15111000	74102190	87032341	89059010	84439910	85042329	26011120	73042210
15119010	74102210	87032342	89059090	84451111	85043110	26011190	73042290
15119020	74102290	87032343	95041000	84451112	85043190	26011200	73042400
15119090	74111011	87032349	95043010	84451113	85043290	26012000	73044110
15141100	74111019	87032351	95043090	84451119	85043300	26060000	73044190
15141900	74111020	87032352	95049010	84451120	85043400	27090000	73044910
15149110	74111090	87032353	84021190	84451210	85152190	27101110	73044990
15149190	74112110	87032359	84021200	84451220	85153190	27101120	73061100
15149900	74112190	87032361	84021900	84452031	85153900	27101911	73062100
24011010	74112200	87032362	84022000	84452041	85176221	27101912	73064000
24011090	74112900	87032363	84031010	84454010	85176222	27101921	72202020
24012010	04011000	87032369	84031090	84459010	85176229	27101922	72202030
24012090	04012000	87032411	84041010	84459020	85176232	27101929	72202040
24013000	04013000	87032412	84042000	84459090	85176234	27111100	
24021000	04021000	87032413	84068110	84463020	85176239	27112100	
24022000	04022100	87032419	84068120	84463030	85176299	28182000	
24029000	04022900	87032421	84068130	84463040	85176910	28342110	
24031000	19011000	87032422	84068200	84463050	85177020	31022100	
24039100	04041000	87032423	84079090	84463090	85256090	31022900	
24039900	12010010	87032429	84081000	84542010	85261010	31024000	
48131000	12010091	87033111	84089010	84543010	85261090	31025000	
48132000	12010092	87033119	84089092	84543022	85269190	31026000	
48139000	12010093	87033121	84089093	84543029	85269200	31028000	
56012210	12010099	87033122	84099191	84551020	85301000	31029010	
55020010	12051010	87033123	84099999	84551030	85308000	31029090	
26030000	12051090	87033129	84109010	84551090	86011020	31031010	
27011100	12059010	87033211	84109090	84552110	86011090	31031090	
27011210	12059090	87033212	84118200	84552120	86031000	31039000	

27011290	23040010	87033213	84122910	84552130	86040019	31042010	
27011900	23040090	87033219	84122990	84552190	87021020	31042090	
47071000	02031110	87033221	84123900	84552210	87021091	31043000	
47072000	02031190	87033222	84137099	84561000	87029010	31049010	
47073000	02031200	87033223	84171000	84563010	87041030	31049090	
47079000	02031900	87033229	84178030	84569010	87041090	31051000	
72041000	02032110	87033311	84178090	84569090	87042230	31054000	
72042100	02032190	87033312	84194090	84571010	87042240	31055100	
72042900	02032200	87033313	84195000	84571020	87043100	31055900	
72043000	02032900	87033319	84196090	84571030	87043230	31056000	
72044100	02063000	87033321	84198990	84571090	87043240	31059000	
72044900	02064100	87033322	84212910	84572000	87049000	72181000	
72045000	02064900	87033323	84223010	84573000	87051021	72189100	
76020000	84431922	87033329	84223030	84581100	87051022	72189900	
74020000	84771010	87033361	84261929	84589100	87051023	72191100	
74031111	84798999	87033362	84261930	84592100	87051091	72191200	
74031119	84807100	87033363	84261942	84593100	87051092	72191312	
74031190	85219090	87033369	84262000	84594010	87051093	72191319	
74031200	90314990	87039000	84263000	84595100	87052000	72191322	
74031300	84193990	87042100	84264110	84596110	87053010	72191329	
74031900	84781000	87042300	84264910	84596190	87053090	72191412	
74032100	84789000	87060021	84291110	84601100	87054000	72191419	
74032200	85171210	87060022	84291190	84602110	87059010	72191422	
74032900	85171290	87060030	84292090	84602120	87059020	72191429	
74040000	85176110	87060090	84294011	84602190	87059030	72192100	
74061010	85176190	87071000	84294019	84602910	87059040	72192200	
74061020	85176212	87079010	84294090	84602920	87059051	72192300	
74061090	85255000	87079090	84295211	84614010	87059059	72192410	
74062010	85256010	87083099	84295212	84621010	87059060	72192420	
74062020	85287110	87084091	84295219	84621090	87059070	72192430	
74062090	85291090	87084099	84295290	84622190	87059080	72193100	
74071000	85299010	87085072	84295900	84622990	87059090	72193200	
74072100	85299090	87085074	84303100	84623110	87060040	72193300	
74072900	85437099	87085075	84791021	84623120	87089991	72193400	
74081100	84073300	87085076	84791029	84623190	88021100	72193500	
74081900	84073410	87085079	84391000	84624119	88021210	72199000	
74082100	84073420	87085089	84392000	84629110	88021220	72201100	
74082200	84082010	88023000	84393000	84629910	88022000	72201200	

Import tariff rate quota administration is applicable to 45 8-digit tariff headings of grain, cotton, sugar, wool, wool top and chemical fertilizer:

10011000	10019010	10019090	11010000	11031100	11032010	10051000	10059000
11022000	11031300	11042300	10061019	10061099	10062090	10063090	10064090
11023090	11031929	10061011	10061091	10062010	10063010	10064010	11023010

11031921	17011100	17011200	17019100	17019910	17019920	17019990	51011100
51011900	51012100	51012900	51013000	51031010	52010000	52030000	31053000
31021000	31052000	51052000	51052100	51052900			

3. The licensing system currently applies to goods coming from all countries.
4. China does not maintain import quantitative restrictions which are inconsistent with WTO rules or China's accession commitments.

Import license administration is an administrative measure over products, including ozone depleting materials and second-hand/used mechanical and electrical products. Import restriction on ozone depleting materials is applied according to *the Montreal Protocol on Substances that Deplete Ozone Layer*. Import restriction on second-hand/used mechanical and electrical products aims at protecting public interests, environment and consumers' health and safety.

Import tariff rate quota administration is confirmed by WTO members within the framework of the WTO Agreements and the negotiations on China's accession. It is an administrative measure over certain products.

Automatic import licensing is an administrative measure over certain products which are free from import restrictions but monitoring on importation and statistics collection of which are deemed necessary. It is implemented in a way fully consistent with the *Agreement on Import Licensing Procedures*, and there is no restriction in terms of import quantity or value.

5. There have been no major changes to the legal framework of import licensing regime since the last submission of reply to questionnaire in 2009. Only the catalogues of products subject to licensing procedures were revised.

Procedures

6. China does not maintain import quantitative restrictions which are inconsistent with WTO rules or China's accession commitment.

In 2010, products under import tariff rate quota administration include grain, cotton, sugar, wool, wool tops and chemical fertilizer.

- I. NDRC promulgated on 28 September 2009 *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2010* in its *Announcement No. 12 of 2009*. MOFCOM promulgated on 28 September 2009 *the Application and Allocation Methods of Tariff Rate Quota for Importation of Sugar of 2010* in its *Announcement No.71 of 2009*, and *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2010* in its *Announcement No. 72 of 2009*. MOFCOM also promulgated on 27 October 2009 *the Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2010* in its *Announcement No. 81 of 2009*.
- II. The tariff rate quota for the next year is issued to end users before 1 January of the year, and the tariff rate quota is valid throughout the whole calendar year.

For TRQ holder for grain, cotton and sugar, a TRQ warrant, which should be provided to the Customs during Customs clearance, is valid throughout the whole calendar year. TRQ holder is entitled to demand extension for warrant from the competent authority if the original

warrant expired in case of importation being unfinished or business contract not being performed, but validity period of the warrant should not exceed the end of February of the next calendar year.

For TRQ holder for wool and wool top, the TRQ warrant is valid for six months within the calendar year. However, TRQ holder is entitled to demand extension for warrant from the competent authority if the original warrant expired in case of importation being unfinished or business contract not being performed. The validity period of warrant should not exceed the end of February of the next calendar year.

For TRQ holder for chemical fertilizer, the TRQ warrant is valid for six months. However, TRQ holder is entitled to demand extension for warrant from the competent authority if the original warrant expired in case of importation being unfinished. The extension should not exceed the calendar year when the TRQ is issue.

- III. For products under import tariff rate quota administration, TRQ holders should annually return, for reallocation, the unfilled tariff rate quota of the calendar year within the scheduled time limit. To ensure that the allocated tariff rate quota is used for importation, for TRQ holders who do not fully use the tariff rate quota for the year and do not return the unfilled tariff rate quota within the scheduled time limit, their next year quantity of tariff rate quota will be reduced accordingly.
- IV. For products under import tariff rate quota administration, the period for submission of application is 15 days (excluding those to which *first come, first served* is applicable).
- V. For products under import tariff rate quota administration, the time for processing the application is two months after the closing date of the period when the submission of application is not accepted.
- VI. For products under import tariff rate quota administration, at least one day remains between the granting of the tariff rate quota and the date of the opening of the period of importation.
- VII. For products under import tariff rate quota administration, according to the variety of products, the applicant should submit the application to entities with authorization of either MOFCOM (sugar, wool, wool top and chemical fertilizer) or NDRC (grain and cotton) to have the application verified. The entities will then transmit the application to either MOFCOM or NDRC. MOFCOM or NDRC will, through the authorized entities, allocate to applicants import tariff rate quota. Import TRQ holders do not have to acquire an import license.
- VIII. The allocation of import tariff rate quota for agricultural products is based on the number of applicants, historical import performance, production capacity and other relevant commercial standards, or on the principle of "first come, first served" (wool and wool top). The reallocation is based on the principle of "first come, first served", according to published application conditions.

The allocation of import tariff rate quota for chemical fertilizers is based on the number of applicants, historical import performance, capacity of production and operation, quota utilization record and other factors such as the number of new applicants.

- IX. For products under import TRQ administration, no matter whether the exporting country issues export permits or not, import licensing procedures are required and the import licensing is not automatic.

- X. Not applicable.
- XI. Licences are not issued on condition that goods should be exported and not sold in the domestic market.
- 7.(a) There are no quantitative restrictions for products under automatic import licensing and import license administration. For products under automatic import licensing, so long as the content and format of the application are correct, the issuing entity should, to the extent practicable, grant the license immediately, or under special circumstances, no more than 10 days.

For products subject import license administration, the time for granting permit is based on the period necessary for making a reasonable judgement on the justification of the import. For ozone depleting materials, it is no more than 10 days, while for second-hand and used mechanical and electrical products, time for granting the permit usually does not exceed 20 days, and is no more than 35 days in extreme conditions.

- (b) For products under automatic import licensing administration, the license can be granted immediately upon request.
- (c) Automatic import license is valid within the calendar year, but no more than six months. However, if the holder needs to have the license validity period extended in case of importation unfinished or business contract not being performed, he has to apply to the former license issuing body again.

Import license is valid throughout the whole calendar year, and no other limitation attached.

- (d) The consideration of license application is effected by one single administrative organ. For products under automatic import licensing and import license administration, the applicant only has to submit the application to the entities authorized by MOFCOM.

8. For products under automatic import licensing, once the State decides to implement temporary measures to prohibit importation of certain goods or to restrict the quantity of importation of certain goods, the granting of automatic import license will be ceased automatically on the day of entry into force of these temporary measures. The temporary measures will be published thirty days before their entry into force.

For products under import license administration, if the justification for importation is believed to be unconvincing, the application may be rejected. The applicant will be informed of the rationale for the refusal and that they have the right to, pursuant to laws and regulations, apply to administrative reconsideration or initiate administrative lawsuit.

Eligibility of Importers to Apply for License

9. Since 1 July 2004, an automatic registration system has been implemented for any individual or enterprise who intends to conduct import and export. For detailed information, please refer to *Measures for Registration of Foreign Trade Operators*, published on 25 June 2004 in *MOFCOM Decree No. 14 of 2004*.

For products under import license administration, automatic import licensing and import tariff rate quota administration, except for those under state trading administration the importation of which can only be conducted by state trading enterprises, any individual or enterprise can apply for import license so long as they meet the criteria set for different goods as published. The lists of state trading enterprises are also published.

Documentation and Other Requirements for Application for Licence

10. For information required to be provided in the application for import license, there have been no changes to ozone depleting materials. For information required for import license of second-hand and used mechanical and electrical products, documents include: a) statement of purpose of use of the products after importation, b) standardized application form for second-hand and used mechanical and electrical products, c) copy of business license of the applicant, d) warrant for the manufacturing date of the imported second-hand and used mechanical and electrical products, e) statement by the applicant on the status quo of the imported second-hand and used mechanical and electrical products, f) other documents required by relevant laws and regulations, if applicable.

For information required to be provided in application for automatic import license, there has been no changes to documentation and other requirements for application in this regard since last submission of reply to questionnaire in 2009.

For information required to be provided in the application for tariff rate quota for importation of agricultural products, please refer to *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2010* published on 28 September 2009 in NDRC's *Announcement No. 12 of 2009*, the *Application and Allocation Methods of Tariff Rate Quota for Importation of Sugar of 2010* was published on 28 September 2009 in MOFCOM's *Announcement No. 71 of 2009* and the *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2010* published on 28 September 2009 in MOFCOM's *Announcement No. 72 of 2009*.

For information required to be provided in the application for tariff rate quota for importation of fertilizers, please refer to the *Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2010* published on 27 October 2009 in MOFCOM's *Announcement No. 81 of 2009*.

11. There have been no changes since last submission of reply to questionnaire in 2009.
12. There are no licensing fees or administrative charges.
13. There is no deposit or advance payment requirement associated with the issue of licenses.

Conditions of Licensing

14. Import license is valid throughout the whole calendar year, and no other limitation attached. The validity period for license can be extended once, but no more than 3 months.

The validity period for automatic import license is six months, and the license is valid only in the calendar year when it is issued. However, if the holder needs to have validity period of the license extended in case of importation unfinished or business contract not being performed, he has to apply to the former license issuing body again.

The validity period for import tariff rate quota is one year.

For TRQ holder for grain, cotton and sugar, a TRQ warrant, which should be provided to the Customs during Customs clearance, is valid throughout the whole calendar year. TRQ holder is entitled to demand extension for warrant from the competent authority if the original warrant expired in case of importation unfinished or business contract not being performed, but validity period of the warrant should not exceed the end of February of the next calendar year.

For TRQ holder for wool and wool top, the TRQ warrant is valid for six months within the calendar year. However, TRQ holder is entitled to demand extension for warrant from the competent authority if the original warrant expired in case of importation unfinished or business contract not being performed. The validity period of warrant should not exceed the end of February of the next calendar year.

For TRQ holder for chemical fertilizer, the TRQ warrant is valid for six months. However, TRQ holder is entitled to demand extension for warrant from the competent authority if the original warrant expired in case of importation unfinished. The extension should not exceed the validity period of the Tariff Rate Quota.

15. For products under import tariff rate quota administration, TRQ holders should annually return, for reallocation, the unfilled tariff rate quota of the calendar year within the scheduled time limit. To ensure that the allocated tariff rate quota are used for importation, for TRQ holders who do not fully use tariff rate quota for the year and do not return the unfilled tariff rate quota within the scheduled time limit, their next year quantity of tariff rate quota will be reduced accordingly.

For products under import license administration and automatic import licensing, non-utilization or a portion of license will not be punished.

16. All licenses listed above are not transferable.

17. There are no other conditions attached to the issue of a licence.

Other Procedural Requirements

18. There have been no changes since last year.

19. There have been no changes since last year.
