

TRANSITIONAL REVIEW MECHANISM¹

Communication from China

The following communication, dated 10 October 2011, is being circulated at the request of the delegation of the People's Republic of China.

IV POLICIES AFFECTING TRADE IN GOODS

3. Import licensing

- (a) Implementation of the provisions of the Agreement on Import Licensing Procedures and the WTO Agreement applying the measures set out in Section 8 of the Protocol including provision of the time taken to grant an import licence

The present import licensing procedures maintained by China include import license administration, automatic import licensing and tariff rate quota administration.

Pursuant to the *Law on Foreign Trade* (President Order No. 15 in 2004, G/LIC/N/1/CHN/4) and the *Regulations on Administration of Import and Export of Goods* (State Council Decree No. 332 in 2001), Ministry of Commerce (MOFCOM) issued the *Measures for the Administration of Import License for Goods*, (MOFCOM Decree No. 27 in 2004, G/LIC/N/1/CHN/5) and the *Measures for the Administration of Automatic Import Licensing for Goods* (MOFCOM Decree No. 26 in 2004). Based on these rules, MOFCOM together with the General Administration of Customs (GAC) and other relevant authorities issue annually the *Catalogue of Goods Subject to Automatic Import Licensing Administration* and the *Catalogue of Goods Subject to Import License Administration* in every second half of the year in the form of MOFCOM Announcement, which will be implemented in the next year. These two catalogues list all the products subject to import licensing procedures except for those under Tariff Rate Quota (TRQ) administration.

Regarding TRQ administration, the current applicable rules are the *Interim Measures on the Administration of Tariff Rate Quota for Importation of Agricultural Products* (MOFCOM and National Development and Reform Commission Decree No. 4 in 2003, G/LIC/N/1/CHN/4 and G/AG/N/CHN/2) and the *Interim Measures on the Administration of Tariff Rate Quota for Importation of Fertilizers* (Former State Economic and Trade Commission and GAC Decree No. 27 in 2002, and MOFCOM Announcement No. 59 in 2004, G/LIC/N/1/CHN/4). Based on these rules, MOFCOM and National Development and Reform Commission

¹ Pursuant to Paragraph 18 of the Protocol on the Accession of the People's Republic of China (WT/L/432).

(NDRC) issue annually the *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops*, the *Application and Allocation Methods of Tariff Rate Quota for Importation of Sugar*, the *Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers*, and the *Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton* in every second half of the year in the form of MOFCOM Announcement and NDRC Announcement, which will be implemented in the next year. Pursuant to MOFCOM Announcement No. 93 in 2005, TRQ administration for importation of soybean oil, palm oil and rapeseed oil was eliminated on 1 January 2006 and replaced by automatic import licensing administration.

The aforementioned basic laws, regulations, rules and announcements concerning China's regime on import licensing procedures as well as other supplementary ones are consistent with the requirements of the WTO Agreement, including the Agreement on Import Licensing Procedures. They are available in China Foreign Trade and Economic Cooperation Gazette and also accessible at the websites of the Central Government of China (<http://www.gov.cn>) and/or MOFCOM (<http://www.mofcom.gov.cn>). At present, on the basis of notifications of domestic legislation concerning import licensing procedures submitted under Articles 1.4(a) and 8.2(b) of the Agreement on Import Licensing Procedures and notifications of replies to the annual questionnaire on import licensing procedures under Article 7.3 of the same Agreement, China is studying on adjustments to be made in order to better fulfil the notification obligations under the Agreement on Import Licensing Procedures according to the new notification format adopted by the Committee on Import Licensing. China will continue its work on notification and fulfil its transparency obligation pursuant to the requirements of the Agreement on Import Licensing Procedures.
