

WORLD TRADE ORGANIZATION

G/SCM/N/155/CHN
G/SCM/N/186/CHN
21 October 2011
(11-5253)

Committee on Subsidies and
Countervailing Measures

Original: English

SUBSIDIES

New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures

CHINA

The following communication, dated 20 October 2011, is being circulated at the request of the Delegation of China.

The following notification constitutes China's new and full notification of information on programmes granted or maintained at the central government level during the period from 2005 to 2008.

Insofar as the notification is a transparency-orientated obligation that, pursuant to Article 25.7 of the SCM Agreement, does not prejudice either the legal status of the notified programmes under GATT 1994 and the SCM Agreement, the effects under the SCM Agreement or the nature of the programmes themselves, China has included certain programmes in this notification which arguably are not (or are not always) subsidies or specific subsidies subject to the notification obligation within the meaning of the SCM Agreement.

1.

1. Title of the subsidy programme

Preferential tax policies for foreign-invested enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment.

4. Background and authority for the subsidy

Ministry of Finance (MOF), State Administration of Taxation (SAT), Ministry of Commerce (MOFCOM).

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprise (1991);

State Council Circular Guo Fa No. 37 of 2000;

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No. 39 of 2007;

MOF Circular Cai Shui No. 1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) Any enterprise with foreign investment of a production nature to operate for a period of no less than 10 years shall, from the year beginning to make profit, be exempted from the enterprise income tax in the first and second years and allowed a reduction by half in the third to the fifth years ("2 years of exemption and 3 years of reduction by half");

2) Any foreign investor of an enterprise with foreign investment which reinvests its share of profit obtained from the enterprise directly back into that enterprise to increase its registered capital, or uses the profit as capital investment to establish other enterprises with foreign investment to operate for a period of no less than 5 years may be refunded 40 per cent of the income tax already paid on the reinvested amount;

3) For direct reinvestment in China by foreign investors for the establishment or expansion of export-oriented enterprises or advanced technology enterprises, all the enterprise income tax that has been paid on the reinvested amount may be refunded;

4) Any foreign enterprise which has no establishment or place in China but derives profit, interest, rental, royalty and other income from sources in China, or which though having an establishment or a place in China, derives the said income in a way not effectively connected with such establishment or place, may, since 1 January 2000, be levied the enterprise income tax at the reduced rate of 10 per cent, however, the income tax of the profit that foreign investors make out of foreign invested enterprises shall all be exempted;

5) Income tax of the royalty received for the supply of technical know-how in scientific research, exploitation of energy resources, development of communications and transportation industries, agricultural, forestry and animal husbandry production, and the development of important technologies may be levied at the reduced rate of 10 per cent.

Where the technology supplied is advanced or the terms are favourable, the income tax may be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) 1991 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment which are eligible for the preferential treatment of "2 years of exemption and 3 years of reduction by half" may continue to enjoy the treatment till its expiration on them; among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit;
- 2), 3) and 5) 1991 to the end of 2007;
- 4) 2000 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

2.

1. Title of the subsidy programme

Preferential tax policies for foreign-invested export enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

MOF Circular Cai Shui No. 1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Export-oriented foreign-invested enterprise which in any year has an output value of all export products amounting to 70 per cent or more of the total output value of the products of the enterprise for that year may pay enterprise income tax at the tax rate specified in the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991) reduced by half after the period of enterprise income tax exemption or reduction that it enjoys has expired. However, export-oriented enterprises located in Special Economic Zones and economic and technological development zones and other such enterprises already subject to the reduced enterprise income tax rate of 15 per cent shall pay enterprise income tax at the tax rate of 10 per cent when qualified under the above-mentioned conditions.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1991 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

3.

1. Title of the subsidy programme

Preferential tax policies for foreign-invested enterprises engaged in agriculture, forestry or animal husbandry and foreign-invested enterprises established in remote underdeveloped areas.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment in agriculture, forestry or animal husbandry, and in remote underdeveloped areas.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Law of the People's Republic of China on Enterprise Income Tax (2007);

MOF Circular Cai Shui No. 1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Foreign-invested enterprises engaged in agriculture, forestry or animal husbandry and foreign-invested enterprises established in remote underdeveloped areas may, upon approval of their application by the competent department for tax affairs under the State Council, be allowed a 15 per cent to 30 per cent reduction of the amount of enterprise income tax payable for a period of another 10 years following the expiration of the period of enterprise income tax exemption or reduction that they enjoy in accordance with the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991).

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1991 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

4.

1. Title of the subsidy programme

Preferential tax policies for foreign-invested enterprises engaged in energy, transportation infrastructure projects.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment in infrastructure construction.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprise (1991);

State Council Circular Guo Fa No.13 of 1999;

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No. 39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The enterprise income tax of foreign-invested enterprises engaged in energy and transportation infrastructure projects such as harbour and wharf projects may be levied at the reduced rate of 15 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to the end of 2007. Starting from 1 January 2008, eligible enterprises under this program registered before 16 March 2007 for their establishment were given a 5 year period to phase out the preferential tax treatment, i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007) will be applied.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

5.

1. Title of the subsidy programme

Preferential tax policies for Chinese-foreign equity joint ventures engaged in port and dock construction.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment into infrastructure construction.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No. 39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Chinese-foreign equity joint ventures engaged in port and dock construction may be levied enterprise income tax at the reduced rate of 15 per cent; where the period of operation is 15 years or more, the equity joint ventures may be exempt from enterprise income tax from the first year to the fifth year starting from the year beginning to make profit and then subject to enterprise income tax at the rate reduced by half for the sixth year through the tenth year ("5 years of exemption and 5 years of reduction by half").

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to the end of 2007. Starting from 1 January 2008, eligible enterprises under this program registered before 16 March 2007 for their establishment were given a 5 year period to fulfil the transition from the preferential tax rate of 15 per cent to the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007), i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent will be applied; enterprises eligible for the preferential treatment of "5 years of exemption and 5 years of reduction by half" may continue to enjoy the treatment till its expiration on them, among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

6.

1. Title of the subsidy programme

Preferential tax policies for advanced technology enterprises with foreign investment.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage high and new technology industrial development and enhance the technology progress.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM, Ministry of Science and Technology (MOST).

5. Legislation under which it is granted

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprise (1991);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007).

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Advanced technology enterprises with foreign investment which remain advanced technology enterprises after the period of enterprise income tax exemption or reduction has expired in accordance with the provisions of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991) may for an additional 3 years pay enterprise income tax at the tax rate specified in the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991) reduced by half.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1991 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

7.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment in the border cities.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage foreign investment in border cities and expand their opening up and enhance the development of the border areas.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

SAT Circular Guo Shui Han Fa No.1412 of 1992;
Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
State Council Circular Guo Fa No. 39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The enterprise income tax of the foreign-invested enterprises of production nature established in 12 border cities, counties or towns (note 1) may be levied at a reduced rate of 24 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1992 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

8.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment recognized as high or new technology enterprises established in the State high or new technology industrial development zones.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage high and new technology industrial development and enhance the technology progress.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM, MOST.

5. Legislation under which it is granted

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprise (1991);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No. 39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The enterprise income tax of the enterprises with foreign investment recognized as high or new technology enterprises and established in the State high or new technology industrial development zones may be levied at a reduced rate of 15 per cent;

2) The Chinese-foreign equity joint ventures recognized as high or new technology enterprises and established in the State high or new technology industrial development zones of which the operation period is 10 years or more may be exempt from the enterprise income tax in the first and second years starting from the year when they begin to make profit. Foreign-invested enterprises established in the high or new technology industrial development zones which are located in the Special Economic Zones and the economic and technological development zones shall be governed by the preferential tax policies concerning the Special Economic Zones and the economic and technological development zones.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) 1991 to the end of 2007;

2) 1991 to the end of 2007; starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment which are eligible for the preferential treatment may continue to enjoy the treatment till its expiration on them; among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

9.

1. Title of the subsidy programme

Preferential tax policies for enterprises recognized as high or new technology enterprises established in the State high or new technology industrial development zones.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage high and new technology industrial development and enhance the technology progress.

4. Background and authority for the subsidy

MOF, SAT, MOST.

5. Legislation under which it is granted

Provisional Regulations of the People's Republic of China on Enterprise Income Tax (1993);
Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Enterprise Income Tax (1994);
MOF Circular Cai Shui Zi No.001 of 1994;
State Council Circular Guo Fa No. 6 of 2006;
MOF Circular Cai Shui No.88 of 2006;
Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
State Council Circular Guo Fa No. 39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The enterprise income tax of the enterprises recognized as high or new technology enterprises established in the State high or new technology industrial development zones may be levied at a reduced rate of 15 per cent;
- 2) The enterprise income tax of the enterprises recognized as high or new technology enterprises established in the State high or new technology industrial development zones may be exempt in the first and second years from the year beginning production (from the year beginning to make profit after 1 January 2006).

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) 1991 to the end of 2007;
- 2) 1991 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment which are eligible for the preferential treatment may continue to enjoy the treatment till its expiration on them; among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

10.

1. Title of the subsidy programme

Preferential tax policies for high or new technology enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage high and new technology industrial development and enhance the technology progress.

4. Background and authority for the subsidy

MOF, SAT, MOST.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007).

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The enterprise income tax of the enterprises recognized as high or new technology enterprises shall be levied at a reduced rate of 15 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

11.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment established in Special Economic Zones (excluding Shanghai Pudong area).

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To absorb foreign investment and expand the open-up policy and enhance development of the areas.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM, MOST.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

SAT Circular Guo Shui Fa No.139 of 1995;

SAT Circular Guo Shui Fa No.135 of 2003;

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No.39 of 2007;

State Council Circular Guo Fa No.40 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax on enterprises with foreign investment established in Shenzhen, Zhuhai, Shantou, Xiamen and Hainan Special Economic Zones and foreign enterprises which have establishments or places in these Special Economic Zones engaged in production or business operations shall be levied at the reduced rate of 15 per cent;

2) The income tax on enterprises with foreign investment of a production nature established in the old urban districts of cities where the above-mentioned zones are located shall be levied at the reduced rate of 24 per cent;

3) The income tax on enterprises with foreign investment of a production nature established in the old urban districts of cities where the above-mentioned zones are located and which are engaged in the following projects: (a) technology-intensive or knowledge-intensive projects, with major products enlisted in the "Catalogue of High and New Technology Products of China" promulgated by MOST and the sales revenue of these products of a year accounting for over 50 per cent of the total annual sales revenue of the enterprise of that year; (b) projects with foreign investments of over US\$30 million and having long periods for return on investment; and (c) energy resources, transportation and port construction projects, shall be levied at the reduced rate of 15 per cent;

4) Enterprises with foreign investment established in the Hainan Special Economic Zones and engaged in infrastructure projects such as airports, harbours, docks, highways, railways, power stations, coal mines and water conservation projects, and enterprises with foreign investment engaged in the development of and operations in agriculture where the period of operations is fifteen years or more, shall be exempt from enterprise income tax from the first year to the fifth years starting from the year beginning to make profit and subject to enterprise income tax at a rate reduced by half for the sixth year through the tenth year ("5 years of exemption and 5 years of reduction by half");

5) Foreign investors who reinvest the profit made from the enterprises established in Hainan Special Economic Zones into the infrastructure construction projects of, or

agricultural development enterprises in, the Hainan Special Economic Zones may be refunded the entire enterprise income tax that has been paid on the reinvested amount;

6) Enterprises registered after 1 January 2008 for their establishment in Shenzhen, Zhuhai, Shantou, Xiamen and Hainan Special Economic Zones and recognized as high or new technology enterprises may be exempt from enterprise income tax for the first and second years starting from the year receiving income from their operation or production, and subject to enterprise income tax at the statutory rate of 25 per cent reduced by half from the third year through the fifth year.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) and 3) 1984 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment and eligible under this program for the 15 per cent preferential enterprise income tax rate were given a 5 year period to fulfil the transition from the preferential tax rate of 15 per cent to the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007), i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent will be applied;

2) 1984 to the end of 2007;

4) 1984 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment and eligible under this program for the preferential treatment of "5 years of exemption and 5 years of reduction by half" may continue to enjoy the treatment till its expiration on them, among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit;

5) 1991 to the end of 2007;

6) 1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

12.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment established in the coastal economic open areas and in the economic and technological development zones.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To absorb foreign investment and expand the open-up policy and enhance development of the areas.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM, MOST.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

SAT Circular Guo Shui Fa No.139 of 1995;

SAT Circular Guo Shui Fa No.135 of 2003;

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No.39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax on enterprises with foreign investment of a production nature established in the economic and technological development zones shall be levied at the reduced rate of 15 per cent;

2) The income tax on enterprises with foreign investment of a production nature established in the coastal economic open areas (note 2) and in the old urban districts of cities where the economic and technological development zones are located shall be levied at the reduced rate of 24 per cent;

3) The income tax on the enterprises with foreign investment of a production nature established in the coastal economic open areas and in the old urban districts of cities where the economic and technological development zones are located and which are engaged in the following projects: (a) technology-intensive or knowledge-intensive projects, with major products enlisted in the "Catalogue of High and New Technology Products of China" promulgated by MOST and the sales revenue of these products of a year accounting for over 50 per cent of the total annual sales revenue of the enterprise of that year; (b) projects with foreign investments of over US\$30 million and having long periods for return on investment;

and (c) energy resources, transportation and port construction projects, shall be levied at the reduced rate of 15 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) and 3) 1984 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment and eligible under this program for the 15 per cent preferential enterprise income tax rate were given a 5 year period to fulfil the transition from the preferential tax rate of 15 per cent to the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007), i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent will be applied;

2) 1984 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

13.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment established in Pudong area of Shanghai.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To absorb foreign investment and expand the open-up policy and enhance development of the area.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (1991);

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

State Council Circular Guo Fa No.39 of 2007;

State Council Circular Guo Fa No.40 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax on enterprises with foreign investment of a production nature established in Pudong area of Shanghai as well as enterprises with foreign investment engaged in energy resources and transport construction projects such as airport, ports, railways, highways and power stations shall be levied at the reduced rate of 15 per cent. Enterprises with foreign investment engaged in energy resources and transport construction projects such as airport, ports, railways, highways and power stations where the period of operation is 15 years or more may also be exempt from enterprise income tax from the first year to the fifth year starting from the year beginning to make profit and then subject to the enterprise income tax rate reduced by half for the sixth year through the tenth year ("5 years of exemption and 5 years of reduction by half");

2) Enterprises registered after 1 January 2008 in Pudong area of Shanghai for their establishment which are recognized as high or new technology enterprises may be exempt from enterprise income tax for the first and second years starting from the year receiving income from their operation or production, and subject to enterprise income tax at the statutory rate of 25 per cent reduced by half from the third year through the fifth year.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) 1991 to the end of 2007, starting from 1 January 2008, eligible enterprises under this program registered before 16 March 2007 for their establishment were given a 5 year period to fulfil the transition from the preferential tax rate of 15 per cent to the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007), i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per

cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent will be applied; enterprises eligible for the preferential treatment of "5 years of exemption and 5 years of reduction by half" may continue to enjoy the treatment till its expiration on them, among these enterprises, for those that have not started to enjoy the treatment due to the fact that they have not begun to make profit, the starting year for them to enjoy the treatment shall be 2008 instead of the year when they first begin to make profit;

2) 1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

14.

1. Title of the subsidy programme

Preferential tax policies for enterprises with foreign investment established in the Three Gorges of Yangtze River Economic Zone.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To absorb foreign investment and expand the open-up policy and enhance development of the areas.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.034 of 1995;
Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
State Council Circular Guo Fa No.39 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The income tax on enterprises with foreign investment of a production nature established in the Three Gorges of Yangtze River Economic Zone (note 3) shall be levied at the reduced rate of 24 per cent;
- 2) The income tax on enterprises with foreign investment established in the Three Gorges of Yangtze River Economic Zone which are engaged in energy resources, transportation, harbour and wharf projects or other projects encouraged by the State, shall be levied at the reduced rate of 15 per cent;
- 3) The income tax on the enterprises with foreign investment of a production nature established in the old urban districts of the open cities along the Yangtze River such as Yichang, Wanxian and Fuling and etc., shall be levied at the reduced rate of 24 per cent;
- 4) Among the enterprises mentioned in item 3), those engaged in technology-intensive or knowledge-intensive projects, or projects with foreign investments of over US\$30 million and having long periods for return on investment, or energy resources, transportation and port construction projects shall be levied at the reduced rate of 15 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) and 3) 1995 to the end of 2007;
- 2) and 4) 1995 to the end of 2007, starting from 1 January 2008, enterprises registered before 16 March 2007 for their establishment and eligible under this program for the 15 per cent preferential enterprise income tax rate were given a 5 year period to phase out the preferential tax treatment, i.e., in 2008, the applicable reduced enterprise income tax rate was 18 per cent; in 2009 it was 20 per cent; in 2010 it was 22 per cent; in 2011 it is 24 per cent; and finally in 2012 the statutory enterprise income tax rate of 25 per cent as stipulated in Law of the People's Republic of China on Enterprise Income Tax (2007) will be applied.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

15.

1. Title of the subsidy programme

Preferential tax policies in the western regions.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To accelerate the development of the western regions, expand the opening up, lessen the imbalance of economic development among different areas and accelerate the development of the regions.

4. Background and authority for the subsidy

MOF, SAT, MOFCOM and other relevant authorities under the State Council.

5. Legislation under which it is granted

State Council Circular Guo Fa No. 33 of 2000;
General Office of State Council Circular Guo Ban Fa No. 73 of 2001;
MOF Circular Cai Shui No. 202 of 2001;
SAT Circular Guo Shui Fa No. 172 of 1999;
Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
State Council Circular Guo Fa No. 39 of 2007;
MOF Circular Cai Shui No.1 of 2008;
MOF GAC SAT Announcement No.43 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax on enterprises, domestic and foreign-invested, established in the western regions (note 4) which are engaged in industries encouraged by the State shall be levied at the reduced rate of 15 per cent from the year 2001 to 2010. For domestic enterprises, industries encouraged by the State refer to those listed in the "Catalogue of the Industries, Products and Technologies Particularly Encouraged by the State", and the enterprises must have the items included in the Catalogue as its major business which should account for over 70 per cent of total revenue. For foreign-invested enterprises, industries encouraged by the State refer to those listed as encouraged in the "Catalogue for the Guidance of the Foreign Investment Industries" and listed in the "Catalogue for the Guidance of the Advantageous Industries in Central and Western Regions for Foreign Investment", and the enterprises must have the items as listed in the two Catalogues as its major business which should account for over 70 per cent of total revenue.

2) The enterprises, domestic and foreign-invested, which are newly established in the western regions and engaged in business such as transportation, electricity, water conservation and etc., of which the revenue accounts for over 70 per cent of total revenue, shall be, from the year beginning production or operation for domestic enterprises and from the year beginning to make profit for foreign-invested enterprises with the period of operations of ten years or more, exempt from the income tax for the first and second years

and subject to enterprise income tax at the rate reduced by half for the third year through the fifth year.

3) Income from production of agricultural specialty products which is a result of returning cultivated land to forests and returning grazing land to grassland for the sake of environmental protection shall be exempt from the agricultural specialty tax for 10 years from the year beginning to generate revenue.

4) The land taken to construct highways in western regions is exempt from the farmland occupation tax.

5) The domestic and the foreign-invested enterprises established in the western regions and engaged in the encouraged industries respectively as mentioned above in item 1) are exempt from the tariff from 2001 to present and import VAT from 2001 to 31 December 2008 for the imported equipments for self uses within the total amount of the capital invested, except for those listed in "Catalogue for the imported products not subject to tax exemption in foreign invested projects" or in the "Catalogue for the imported products not subject to tax exemption in domestic invested projects".

6) Since 1 January 2000, the foreign-invested enterprises established in nineteen provinces, autonomous regions and municipalities directly under the Central Government in central and western regions, namely Shanxi Province, Jilin Province, Heilongjiang Province, Anhui Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Qinghai Province, Xinjiang Uygur Autonomous Region, Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, which are engaged in the industries encouraged by the State as enlisted in the "Catalogue for the Guidance of Foreign Investment Industries" as well as engaged in the advantageous industries and projects approved by the State Council, shall be imposed the income tax at the reduced rate of 15 per cent for another three year following the expiration of the period for "two years exemption and three years reduction by half".

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) 2001 to 2010;
- 2) 2001 to present;
- 3) 2001 to 17 February 2006 or earlier where applicable;
- 4) 2001 to the end of 2007;
- 5) 2001 to present for exemption of tariff, and 2001 to 31 December 2008 for exemption of import VAT;
- 6) 2000 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

16.

1. Title of the subsidy programme

Preferential tax policies for enterprises in Binhai New Area of Tianjin.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the development and opening up of Binhai New Area of Tianjin.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

State Council Circular Guo Fa No. 20 of 2006;
MOF Circular Cai Shui No.130 of 2006.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The enterprise income tax of the enterprises recognized as high or new technology enterprises in Binhai New Area of Tianjin may be levied at a reduced rate of 15 per cent;
- 2) The depreciation period of the fixed assets of enterprises in Binhai New Area of Tianjin (excluding houses and buildings) may be shortened by at most 40 per cent when the taxable income is calculated.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) and 2) 1 July 2006 to 31 December 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

17.**1. Title of the subsidy programme**

Preferential tax policies for enterprises established in the poverty stricken areas.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the alleviation of poverty and accelerate the economic development of the poverty stricken areas.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income tax of the enterprises newly established in the old revolution base areas during the revolution era, areas with ethnic groups residence, remote areas and poverty stricken areas as designated by the State may be exempt or reduced for three years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

18.**1. Title of the subsidy programme**

Fiscal fund to alleviate poverty.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To improve the production and living conditions and increase the income of the poverty stricken population, and to enhance the economic and social development of the poverty stricken areas.

4. Background and authority for the subsidy

MOF, Office of Poverty Alleviation under the State Council, NDRC.

5. Legislation under which it is granted

MOF Circular Cai Nong No.18 of 2000.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The funds are allocated by MOF to local governments according to the allocation programmes which are approved by the Leading Group for Poverty Alleviation of the State Council. The funds are used by local governments to provide subsidies to individuals and organizations for individual subsidization, infrastructure construction and training programmes in the poverty stricken areas.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
12,900	13,600	14,300	16,600

9. Duration of the subsidy and/or any other time-limits attached to it

1980 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

19.

1. Title of the subsidy programme

Preferential tax treatment for public infrastructure projects that are particularly supported by the State.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To promote the construction of infrastructure projects.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.46 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Enterprise income tax on the income derived by an enterprise from investment in and operation of public infrastructure projects such as harbours, wharves, airports, railways, highways, urban public transportation, electric power and water conservancy projects as specified in the Catalogue of Public Infrastructure Projects for Preferential Enterprise Income Tax Treatment shall be exempted from the first to the third year beginning from the year in which the first production and operation income is derived from the projects, and such tax shall be reduced by half from the fourth to the sixth year.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

20.

1. Title of the subsidy programme

Preferential tax treatment for projects for environmental protection, water and energy conservation.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To protect the environment and encourage the recycle of resources.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.48 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) Enterprise income tax on the income derived by an enterprise from the qualified projects of environmental protection or energy and water conservation such as projects of

public sewage treatment, public refuse treatment, comprehensive development and utilization of methane, technological upgrading for energy conservation and discharge reduction, and seawater desalination and etc. shall be exempted from the first to the third year beginning from the year in which the first production and operation income is derived from the projects, and such tax shall be reduced by half from the fourth to the sixth year;

2) Where an enterprise purchases and actually uses the equipment specially designed for environmental protection, energy and water conservation, safe production and etc. as specified in the Catalogue of Special Environmental Protection Equipment for Preferential Enterprise Income Tax Treatment, the Catalogue of Special Energy and Water Conservation Equipment for Preferential Enterprise Income Tax Treatment and the Catalogue of Special Safe Production Equipment for Preferential Enterprise Income Tax Treatment, 10 per cent of its investment in the special equipment may be credited against its tax payable for the current year, and any amount that is not credited in that year may be carried forward and credited in the following five tax years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

21.

1. Title of the subsidy programme

Preferential tax policies for enterprises which utilize the waste materials.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To protect the environment and encourage the recycling of resources.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income tax of the enterprises which use the waste materials such as waste water, waster residue and waste gas as major materials for production may be exempt or reduced within five years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

22.

1. Title of the subsidy programme

Preferential tax treatment for building material products produced with integrated utilization of resources.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the integrated utilization of resources and protect the environment.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.47 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

If an enterprise uses the resources specified in the Catalogue of Comprehensive Use of Resources for Preferential Enterprise Income Tax Treatment as its main raw materials to manufacture products enlisted in the same Catalogue that meet relevant national and industrial standards, its income thus derived shall be included in the total taxable income of the enterprise at a reduced amount of 90 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

23.

1. Title of the subsidy programme

Preferential tax treatment for building material products produced with integrated utilization of resources.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the integrated utilization of resources and protect the environment.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No. 44 of 1995;

MOF Circular Cai Shui Zi No. 20 of 1996.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The VAT on building material products made from waste residues shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1995 to the end of 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

24.

1. Title of the subsidy programme

Preferential tax treatment for products produced with integrated utilization of resources.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage integrated utilization of resources and protect the environment.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 198 of 2001;
MOF Circular Cai Shui No. 25 of 2004.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The VAT on such product produced with integrated utilization of resources as electric power produced from urban waste shall be refunded;
- 2) The VAT on electric power produced with wind power and certain new-type wall-building materials produced from coal gangue, slush, oil shale shall be levied at the statutory rate reduced by half.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) and 2) 2001 to 30 June 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

25.1. Title of the subsidy programme

Preferential tax treatment for renewable resources.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage integrated utilization of renewable resources and protect the environment.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 78 of 2001;
MOF Circular Cai Shui No. 157 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

For enterprises purchasing waste materials as production materials, 10 per cent of the amount of the sales invoices for purchasing the waste materials may be deducted from the input VAT.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 May 2001 to the end of 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

26.

1. Title of the subsidy programme

Special fund for the industrialization of wind power equipment.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To promote the research and development of wind power industry and use of renewable energy.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Circular Cai Jian No.476 of 2008.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided for the research and development of wind power equipment of domestic or domestically controlled enterprises manufacturing equipment and components for the wind power industry. The first 50 sets of megawatt wind turbines and their components newly developed and industrialized may receive the support as per RMB 600/kilowatt, and the support is provided half and half between turbine and key component manufacturers.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
none	none	none	45

9. Duration of the subsidy and/or any other time-limits attached to it

August 2008 to the end of 2009.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

27.1. Title of the subsidy programme

Preferential tax policies for Clean Development Mechanism.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To reduce the emission of greenhouse gas (GHG).

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.30 of 2009.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) Certain types of income derived by the China Clean Development Mechanism Fund (CDMFUND) which are listed in the Circular shall be exempted from enterprise income tax;

2) The portion of gains derived from the transfer of greenhouse gas emission reductions by CDM project enterprises which are remitted to the Chinese government shall be deducted from the taxable income;

3) The income derived by CDM project enterprises from certain HPC, PFC and N20 projects is eligible for enterprise income tax exemption from the first year to the third year and a 50 per cent reduction in enterprise income tax from the fourth year to the sixth year, starting from the year in which the income from the transfer of greenhouse gas emission reductions is first received.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1), 2) and 3) 1 January 2007 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

28.

1. Title of the subsidy programme

Preferential tax policies for enterprises making little profits.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To reduce the burden of the enterprises making little profits and to maintain job opportunities.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.009 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax of enterprises whose annual taxable income is less than RMB 30,000 may be levied at a reduced rate of 18 per cent;

2) The income tax of enterprises whose annual taxable income is less than RMB 100,000 but more than RMB 30,000 may be levied at a reduced rate of 27 per cent.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) and 2) 1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

29.1. Title of the subsidy programme

Preferential tax policies for enterprises making little profits.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To reduce the burden of the enterprises making little profits and to maintain job opportunities.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007).

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income tax of qualified small enterprises with low profits may be levied at a reduced rate of 20 per cent. The above-mentioned qualified enterprises refer to those engaged in industries which are not restricted or prohibited by the State and meeting the following conditions:

(a) industrial enterprises, whose annual taxable income does not exceed RMB 300,000, the number of employees does not exceed 100 persons, and the total amount of assets does not exceed RMB 30,000,000; and

(b) other enterprises, whose annual taxable income does not exceed RMB 300,000, the number of employees does not exceed 80 persons, and the total amount of assets does not exceed RMB 10,000,000.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

30.**1. Title of the subsidy program**

Preferential tax policies for township enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To reduce the burden of township enterprises due to the imperfect social security system and to encourage the township enterprise to improve the living and working conditions of their employees.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

10 per cent of the enterprise income tax payable by township enterprises may be exempted to subsidize their social security expenses.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

31.

1. Title of the subsidy program

Preferential tax policies for enterprises that employ disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the increase of job opportunities and help the employment of the disabled people.

4. Background and authority for the subsidy

MOF, Ministry of Civil Affairs (MCA), SAT.

5. Legislation under which it is granted

SAT Circular Guo Shui Fa No.155 of 1994;
MOF Circular Cai Shui No.92 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The VAT paid by the enterprises in which employees with disabilities such as blindness, deafness, dumbness and physical deformities are over 50 per cent of total employees may be 100 per cent refunded;
- 2) The VAT paid by the enterprises in which employees with disabilities such as blindness, deafness, dumbness and physical deformities are over 35 per cent but less than 50 per cent of total employees and where the enterprises are at a loss, may be partially or totally refunded to the extent to compensate the loss.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of June 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

32.

1. Title of the subsidy program

Preferential tax policies for enterprises that employ disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the increase of job opportunities and help the employment of the disabled people.

4. Background and authority for the subsidy

MOF, MCA, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.92 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The VAT paid by the enterprises that employ disabled people may be refunded at the time when it is collected. The amount of VAT refunded depends on the number of disabled people the enterprises employ. With one disabled person, the enterprise may enjoy VAT refund equalling to six times the minimum wage set for a specific region annually with the maximum of RMB 35,000 per person per year.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 July 2007 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

33.

1. Title of the subsidy program

Preferential tax policies for enterprises that employ disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the increase of job opportunities and help the employment of the disabled people.

4. Background and authority for the subsidy

MOF, MCA, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.92 of 2007.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income tax paid by the social welfare enterprises in which employees with disabilities such as blindness, deafness, dumbness and physical deformities are over 35 per cent of total employees shall be exempted. The income tax paid by the social welfare enterprises in which employees with disabilities such as blindness, deafness, dumbness and physical deformities are over 10 per cent but less than 35 per cent of total employees shall be reduced by half.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of June 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

34.

1. Title of the subsidy program

Preferential tax policies for enterprises that employ disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the increase of job opportunities and help the employment of the disabled people.

4. Background and authority for the subsidy

MOF, MCA, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.92 of 2007;
Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.70 of 2009.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

If an enterprise provides jobs to persons with disabilities, a weighted deduction of 100 per cent of the wages paid to them shall be made in addition to the deduction of the actual wages paid to them when the taxable income of the enterprise is calculated.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 July 2007 to present, and 1 January 2008 to present for foreign invested enterprises.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

35.

1. Title of the subsidy program

Preferential tax treatment for imported products exclusively used by the disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To facilitate the recovery of the disabled people.

4. Background and authority for the subsidy

MOF, GAC.

5. Legislation under which it is granted

Provisional Regulations of the People's Republic of China on Value Added Tax (1994);
State Council Circular Guo Han No. 3 of 1997;
GAC Decree No. 61 of 1997.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The tariff, import VAT and excise tax on imported products exclusively used by the disabled people within the stipulated scope shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1997 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

36.

1. Title of the subsidy program

Preferential tax treatment for products for the disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To facilitate the recovery of the disabled people.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 60 of 1994.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The VAT on artificial limbs, wheelchairs, orthopaedic appliances including those for upper limbs, lower limbs and spinal bend and lean etc. shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

37.

1. Title of the subsidy program

Preferential tax treatment for enterprises producing products exclusively used by the disabled people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To facilitate the recovery of the disabled people.

4. Background and authority for the subsidy

MOF, MCA, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.132 of 2004;
MOF Circular Cai Shui No.148 of 2006;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Enterprises producing or assembling products to be exclusively used by the disabled people shall be exempted from enterprise income tax.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2004 to the end of 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

38.

1. Title of the subsidy program

Preferential tax policies for enterprises which provide employment for unemployed people.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To increase and encourage employment.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) The income tax of newly established urban enterprises which employ unemployed people over 60 per cent of total employees within a year may be exempted for three years;
- 2) The income tax of the above-mentioned enterprises which newly employ unemployed people over 30 per cent of their original total employees within a year may be reduced by half for an additional two years after the three years period of income tax exemption has expired.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

39.

1. Title of the subsidy program

Preferential tax policies for scientific research institutions under transformation.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To push forward the scientific research institutions to reform under the conditions of market economy.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.137 of 2003;
MOF Circular Cai Shui No.14 of 2005;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The income tax of the 242 scientific research institutions subordinate to the former 10 National Bureaus administrated by the former State Economic and Trade Commission (SETC) and the 134 scientific research institutions subordinate to 11 former Ministries such

as Ministry of Construction which were transformed into enterprises or integrated into enterprises shall be exempted for five years since the day of the transformation registration. This preferential treatment will be extended for another two years after expiration.

2) The income tax of scientific research institutions subordinate to the organizations under the State Council which were transformed into enterprises or integrated into enterprises after the review and approval by MOST and MOF shall be exempted for five years since the day of the transformation registration.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) 2003 to present, and terminated upon expiration;
- 2) 2003 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

40.

1. Title of the subsidy program

Preferential tax policies for the research and development of enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the research and development of enterprises.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.244 of 2003;
MOF Circular Cai Shui No.88 of 2006;
MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The actual expenses of domestic industrial enterprises, regardless of the ownership, on research and development of new products, new technologies and new crafts which have increased 10 per cent (included) or more from the previous year shall be deducted by 150 per cent from the taxable income of the year of the enterprises.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2003 to the end of 2005.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

41.

1. Title of the subsidy program

Preferential tax policies for the research and development of enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the research and development of enterprises.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.88 of 2006;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Research and development expenses that are incurred in the current year during the development of new technologies, new products or new production techniques, including the expenses for design, trial-production of materials, semi-finished products or new products shall be deducted by 150 per cent from the taxable income of the year of the enterprises. Any amount that is not offset in the said year may be carried forward and offset in the following five years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2006 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

42.

1. Title of the subsidy program

Preferential tax policies for the research and development of enterprises.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the research and development of enterprises.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);

Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);

SAT Circular Guo Shui Fa No.116 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Where the research and development expenses incurred by an enterprise for the development of new technologies, new products and new techniques are included in the current profits or losses before they become intangible assets, a weighted deduction of 50 per cent of the research and development expenses shall be made in addition to the deduction of actual expenses when the taxable income is calculated; where they become intangible assets, the expenses shall be amortised at 150 per cent of the cost of the intangible assets with the amortization period of not less than 10 years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

43.

1. Title of the subsidy program

Preferential tax policies for enterprises transferring technology.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the transfers of technology.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.001 of 1994;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income tax of enterprises profiting from technology transfers as well as from providing technology consultation, technology services and technology training in the transfer may be exempted where the annual net income of the enterprises is less than RMB 300,000; where the annual net income of the enterprise is more than RMB 300,000, the exceeding part shall be levied at the regular rate.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

44.1. Title of the subsidy program

Preferential tax policies for enterprises transferring technology.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the transfers of technology.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
SAT Circular Guo Shui Han No.212 of 2009.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Enterprise income tax on income up to RMB 5 million earned by a resident enterprise from any transfer of technologies in a tax year shall be exempted. In the case of any excess of such income over RMB 5 million, there shall be a 50 per cent enterprise income tax reduction.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

45.

1. Title of the subsidy program

Research and development fund for industrial technologies.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support important technological research and development projects of commonweal or public interest.

4. Background and authority for the subsidy

MOF, National Development and Reform Commission (NDRC).

5. Legislation under which it is granted

MOF Circular Cai Jian No.30 of 2002.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to enterprises engaged in approved research and development projects of industrial technologies after review of applications or bidding procedures.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
1,650	2,000	2,480	2,940

9. Duration of the subsidy and/or any other time-limits attached to it

2002 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

46.1. Title of the subsidy programme

Fund for supporting technological innovation of the technological small and medium-sized enterprises (SMEs).

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support SMEs in technology innovation and encourage the industrialization of the science and technology achievements.

4. Background and authority for the subsidy

MOF, MOST.

5. Legislation under which it is granted

Law of the People's Republic of China on Promotion of Small and Medium-sized Enterprises;
General Office of State Council Circular Guo Ban Fa No. 47 of 1999;
MOF Circular Cai Qi No.22 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The financial support for SMEs in technology innovation includes government grants, interest discount and capital investment.

Government grants of no more than RMB 1 million (2 million for few exceptional cases) may be provided for the industrialization of science and technology achievements and research and development (R&D) of SMEs on the condition that the enterprises must contribute self-owned capital of more than the same amount.

Interest discount may be provided for innovative projects already having certain scale and economic returns. 50 per cent to 100 per cent of the annual interests of the commercial loans for these innovative projects may be subsidized. The total amount of the interest discount provided is generally no more than RMB 1 million and in few exceptional cases no more than RMB 2 million.

Capital investment is provided for projects with high starting point, great innovation potential and probable large market demand after the projects are turned into production. The total amount shall not exceed 20 per cent of the registered capital of the enterprises.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
600	750	1,100	1,400

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

47.1. Title of the subsidy programme

Development fund for SMEs.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the SMEs development and to improve the development environment of SMEs.

4. Background and authority for the subsidy

MOF, Ministry of Industry and Information Technology (MIIT).

5. Legislation under which it is granted

Law of the People's Republic of China on Promotion of Small and Medium-sized Enterprises;
MOF Circular Cai qi No.185 of 2004;
MOF Circular Cai qi No.226 of 2006;
MOF Circular Cai qi No.179 of 2008.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

For projects in which the enterprises invest mainly with self-owned capital, the support is usually given in the form of grant of no more than RMB 2 million (RMB 3 million from September 2008 on) or within the limit of the self-owned capital investment. For projects in which the enterprises invest mainly with commercial loans, the support is usually given in the form of interest discount to compensate the interests based on the amount of loans and the benchmark interest rate published by People's Bank of China. The period for each project to enjoy the interest discount should be no more than 2 years and the total amount that each project may receive in the form of interest discount should be no more than RMB 2 million (RMB 3 million from September 2008 on).

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
200	250	400	500

9. Duration of the subsidy and/or any other time-limits attached to it

2004 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

48.

1. Title of the subsidy programme

Special fund for establishment of service system for SMEs.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To assist entities to provide better services to SMEs.

4. Background and authority for the subsidy

MOF, NDRC, MIIT.

5. Legislation under which it is granted

Law of the People's Republic of China on Promotion of Small and Medium-sized Enterprises;
MOF Circular Cai Jian No.124 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided as grant to entities which provide services to SMEs. For those who provide training services to the SMEs, rent charges of training venue, payments to the lecturers and

expenses on teaching materials may be fully subsidized by the fund, and accommodations incurred by the training services may be subsidized at a maximum of RMB 150 person/day. For those who provide credit services to SMEs, the actual expenses may be subsidized as appropriate. For those who provide services for SMEs to start business, the actual expenses may be subsidized as appropriate. For those who provide management consulting services for SMEs, the actual expenses may be subsidized as appropriate.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
50	50	50	50

9. Duration of the subsidy and/or any other time-limits attached to it

2003 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

49.

1. Title of the subsidy programme

Fund for international market exploration by SMEs.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To assist SMEs to explore international market.

4. Background and authority for the subsidy

MOF, MOFCOM.

5. Legislation under which it is granted

MOFTEC (MOFCOM) Circular Ji Cai Fa No.270 of 2001.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to SMEs or enterprises and organizations which provide services to SMEs for the purpose of: (a) holding or participating in overseas exhibitions, (b) accreditation fee for quality management system, environment management system or for the product, (c) promotion in the international market, (d) exploring a new market, (e) holding trainings and symposiums, (f) overseas bidding. The enterprises receive partial support to its international market exploration fees and the grant is allocated on the basis of the approved application for fund after market exploration activities are completed.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
1600	1390	890	1080

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

50.1. Title of the subsidy programme

Fund for optimizing the import and export structure of mechanical and electrical products as well as high-tech products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the optimization of the import and export structure of mechanical and electrical products as well as high-tech products.

4. Background and authority for the subsidy

MOF, MOFCOM.

5. Legislation under which it is granted

MOFCOM Circular Shang Cai Fa No.291 of 2007.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided for enterprises or industrial associations engaged in projects of technology research and development, public information service and personnel training etc. The amount of support shall not exceed 50 per cent of the total real investment in the project. Support to a single enterprise shall not exceed RMB 3 million and that for intermediary organizations shall not exceed RMB 10 million.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
-	-	238	294

9. Duration of the subsidy and/or any other time-limits attached to it

2007 to 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

51.1. Title of the subsidy programme

Fund for promoting the trade of agricultural, light industry and textile products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To improve the quality and safety of agricultural, light industry and textiles products.

4. Background and authority for the subsidy

MOF, MOFCOM.

5. Legislation under which it is granted

MOFCOM Circular Shang Gui Fa No.507 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided for projects promoting the development of quality system certification, registration of marks of origin and the training and exchange of new technology, new design and new marketing concepts.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
none	none	500	100

9. Duration of the subsidy and/or any other time-limits attached to it

2005 to 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

52.

1. Title of the subsidy programme

Fund for promotion of coordinated development of foreign trade and economic relations among regions.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the economic and trade development of undeveloped area.

4. Background and authority for the subsidy

MOF, MOFCOM.

5. Legislation under which it is granted

MOF Circular Cai Qi No.118 of 2008.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

This fund is provided for projects aiming at exploration of international market, scientific innovation and information system construction in the central, western and north-eastern areas of China.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
1,150	1,000	1,200	1,500

9. Duration of the subsidy and/or any other time-limits attached to it

2000 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

53.

1. Title of the subsidy programme

Preferential tax policies for key leading enterprises engaged in agricultural industrialization.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the agricultural industrialization.

4. Background and authority for the subsidy

MOF, SAT, Ministry of Agriculture (MOA).

5. Legislation under which it is granted

MOA Circular Nong Jing Fa No.8 of 2000;
SAT Circular Guo Shui Fa No. 124 of 2001;
MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income of the key leading enterprises and of their holding subsidiary companies, obtained from planting, animal and fish farming, and preliminary processing of agricultural and forest products may be exempt from enterprise income tax.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

54.

1. Title of the subsidy programme

Preferential tax policies for enterprises engaged in projects of preliminary processing of agricultural, forest, animal and fishery products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the development of agriculture.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

Law of the People's Republic of China on Enterprise Income Tax (2007);
Regulations for the Implementation of Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.149 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Enterprise income tax on the income derived by an enterprise from stipulated projects of preliminary processing related to farming, forestry, animal husbandry and fisheries may be exempted or reduced.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2008 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

55.1. Title of the subsidy programme

Fund for specialized economic cooperatives of farmers.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support and facilitate the development of specialized cooperatives of farmers.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Circular Cai Nong No.87 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to qualified specialized cooperatives of farmers. MOF provides fund to the local governments. Local governments review applications to allocate the fund and then report to MOF for record.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
80	80	200	300

9. Duration of the subsidy and/or any other time-limits attached to it

2003 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

56.1. Title of the subsidy programme

Fund for subsidizing the training of rural migrant labour force.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To improve the quality and the employment capabilities of the rural migrant workers, to facilitate the migration of the rural labour force and increase rural incomes.

4. Background and authority for the subsidy

MOF, MOA.

5. Legislation under which it is granted

MOF Circular Cai Nong No.18 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to individuals, training institutions or other organizations chosen through bidding procedures to provide training services to farmers. MOF and MOA jointly review applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
400	600	900	1,100

9. Duration of the subsidy and/or any other time-limits attached to it

2004 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

57.1. Title of the subsidy programme

Fund for training of youngster farmers on science and technology.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To assist farmers to obtain the knowledge on science and technology and to improve their business management capacity.

4. Background and authority for the subsidy

MOF, MOA.

5. Legislation under which it is granted

MOF Circular Cai Nong No.349 of 2006.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to organizations or institutions that provide training to farmers in rural areas. MOF and MOA jointly review applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
50	100	200	500

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

58.1. Title of the subsidy programme

Fund for popularization of agricultural technologies.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To popularize advanced and practical agricultural technologies.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Circular Cai Nong No.81 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to projects which embody geographic advantages and can serve as a model or demonstration to other areas. MOF reviews applications for fund submitted by local governments and grants the fund after approval of the applications.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
300	300	500	700

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

59.1. Title of the subsidy programme

Fund for subsidizing transformation of agricultural technology.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To accelerate the transformation of technological achievements in agriculture, forestry, water conservation and irrigation, and to improve the capacity of agricultural innovation.

4. Background and authority for the subsidy

MOF, MOST.

5. Legislation under which it is granted

MOST Circular Guo Ke Ban Cai Zi No.417 of 2001.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to enterprises, scientific research institutions and colleges that are the right-holders of new agricultural technology. MOF and MOST jointly review applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
300	300	300	300

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

60.

1. Title of the subsidy programme

Subsidy for promoting superior strains and seeds.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To accelerate the upgrading of strains and seeds, increase the output of agricultural products, improve the quality of agricultural products and guarantee food security.

4. Background and authority for the subsidy

MOF, MOA.

5. Legislation under which it is granted

MOF Circulars Cai Nong No.16 and No.17 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The subsidy is provided to farmers purchasing superior strains and seeds. MOF and MOA jointly review applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
3,800	4,100	6,600	12,300

9. Duration of the subsidy and/or any other time-limits attached to it

2002 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

61.**1. Title of the subsidy programme**

Subsidy for purchasing agricultural machinery and tools.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To enhance agricultural mechanization, and push forward the development of agriculture and rural economy.

4. Background and authority for the subsidy

MOA, MOF.

5. Legislation under which it is granted

MOF Circular Cai Nong No.11 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The subsidy is provided to individual farmers or services providers of agricultural machinery and tools that purchase agricultural machinery and tools. MOA and MOF jointly review applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
300	600	2,000	4,000

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

62.1. Title of the subsidy programme

Comprehensive subsidies for agricultural inputs.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To compensate farmers' loss caused by the price hikes of agricultural inputs, and improve farmers' income.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

General Office of the State Council Circular Guo Ban Fa No.16 of 2006.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund for the subsidy is allocated to provincial governments, which are responsible for the formulation of detailed implementation plans and provision of the subsidy to farmers.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
-	12,000	27,600	71,600

9. Duration of the subsidy and/or any other time-limits attached to it

2006 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

63.1. Title of the subsidy programme

Direct subsidy to farmers.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To maintain the stability and development of agricultural production, improve the overall agricultural production capacity and farmers' income.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

State Council Circular Guo Fa No.17 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

Provincial governments are responsible for the detailed implementation plan. Subsidies will be provided according to the taxable area of the farmland.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
13,200	14,200	15,100	15,100

9. Duration of the subsidy and/or any other time-limits attached to it

2004 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

64.1. Title of the subsidy programme

Fund for agricultural comprehensive development.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To improve the infrastructure construction and ecological construction, enhance the agricultural comprehensive production capacity, optimize the agricultural and rural economic structure and improve farmers' income.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Decree No.60.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to agricultural comprehensive development projects, which will be subsidized after approval of the applications.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
7,600	7,800	8,400	103,000

9. Duration of the subsidy and/or any other time-limits attached to it

1988 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

65.

1. Title of the subsidy programme

Fund subsidizing agricultural industrialization and agricultural products processing.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To increase rural income, increase the scale and modernization of agricultural operation, and to improve the efficiency of agriculture in general.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Circular Cai Nong No. 88 of 2004.

6. Form of the subsidy

Financial appropriation.

7. To whom and how the subsidy is provided

The fund is provided to qualified enterprises and production bases. The MOF reviews the applications for fund submitted by local governments and grants the fund after approval of the applications.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
100	150	300	400

9. Duration of the subsidy and/or any other time-limits attached to it

1998 to 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

66.

1. Title of the subsidy programme

Fund for interest discount of loans for the purpose of agricultural water-saving irrigation.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support water-saving irrigation technology and the construction of areas using water-saving irrigation.

4. Background and authority for the subsidy

MOF, Ministry of Water Resources (MWR).

5. Legislation under which it is granted

MOF Circular Cai Nong No. 279 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to individuals, enterprises or related organizations. MOF and MWR jointly review the applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
46.5	49.9	49.9	49.9

9. Duration of the subsidy and/or any other time-limits attached to it

1997 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

67.1. Title of the subsidy programme

Subsidy for national key construction projects on water and soil conservation.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To assist small scale farmland irrigation and water and soil conservation projects in rural areas.

4. Background and authority for the subsidy

MOF, MWR.

5. Legislation under which it is granted

MOF Circular Cai Nong Zi No. 402 of 1987.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to enterprises or related organizations. MOF and MWR jointly review the applications for fund submitted by local governments. After approval of the applications, fund is granted by the MOF.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
50	50	80	80

9. Duration of the subsidy and/or any other time-limits attached to it

1983 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

68.1. Title of the subsidy programme

Preferential tax policies for the enterprises engaged in forestry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the development of forestry.

4. Background and authority for the subsidy

MOF, SAT, State Forestry Administration (SFA).

5. Legislation under which it is granted

MOF Circular Cai Shui No.171 of 2001;

MOF Circular Cai Shui No.1 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The income of enterprises and institutions derived from production of forestry, forestry seeds as well as from preliminary processing of forestry products may be exempted from enterprise income tax from 2001 to the end of 2007.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

69.

1. Title of the subsidy programme

Subsidy for prevention from and control of pest and disease in forestry

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To strengthen the disease, pest and rat prevention and control in forests, woods, seedling and bamboo forests.

4. Background and authority for the subsidy

MOF, SFA.

5. Legislation under which it is granted

MOF Circular Cai Nong No. 44 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to individual, enterprises and organizations engaged in forestry for the purpose of hazardous creature control. Applications for the fund are submitted by local governments. MOF and SFA jointly review the applications and determine the amount of the subsidy. After approval of the applications, the MOF grants the fund.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
200	200	200	270

9. Duration of the subsidy and/or any other time-limits attached to it

1980 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

70.1. Title of the subsidy programme

Subsidy for grass seed sowing by airplanes.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the airplane sowing of grass seed in major grassland areas.

4. Background and authority for the subsidy

MOF, MOA.

5. Legislation under which it is granted

MOF Circular Cai Nong No.139 of 2004.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The fund is provided to organizations which carry out airplane sowing of grass seeds. MOF reviews the applications for fund submitted by local governments and grants the fund after approval of the applications.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
9	9	9	9

9. Duration of the subsidy and/or any other time-limits attached to it

1984 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

71.1. Title of the subsidy programme

Preferential tax policies for enterprises of grain or oil reserves.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To ensure food security.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.198 of 1999.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The sales of grain and edible oil by the state-owned enterprises which carry reserves of grain and oils for food security purposes are exempted from VAT.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1999 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

72.

1. Title of the subsidy programme

Preferential tax policies for the imports of China Grain Reserves Corporation for the purpose of rotation of grain reserves.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To secure food safety.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.74 of 2004;
MOF Circular Cai Shui No.105 of 2006.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The collected import VAT on imported grain and oils imported by China Grain Reserves Corporation for the purpose of alternation or rotation of reserves shall be fully refunded.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to the end of 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

73.

1. Title of the subsidy programme

Preferential tax policies for the relief grain and disaster relief grain, compensation grain for returning cultivated land to forests and to grassland, and the grain rations for the migrants from the reservoir areas.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To ensure the functioning of special social responsibilities such as disasters relief and to realize social development objectives such as environmental protection.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui Zi No.198 of 1999;
SAT Circular Guo Shui Fa No.131 of 2001.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

VAT on the relief grain and disaster relief grain, compensation grain for returning cultivated land to forests and to grassland, and the grain rations for the migrants from the reservoir areas operated by grain enterprises shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

August 1999 to present, and 2001 to present for compensation grain for returning cultivated land to forests and to grassland.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

74.1. Title of the subsidy programme

Preferential tax treatment for poultry industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To control the spread of the deadly avian flu virus.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.166 of 2005;
MOF Circular Cai Shui No.113 of 2006.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) The enterprise income tax of poultry farming and processing enterprises and of frozen food firms on income derived from poultry farming, poultry processing and sales of frozen poultry products shall be exempted from 2005 to 2006.

2) The VAT on poultry products processed and sold by poultry processing firms and frozen food firms shall be refunded upon collection from 1 November 2005 to 31 December 2006.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) 2005-2006;

2) 1 November 2005 to 31 December 2006.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

75.

1. Title of the subsidy programme

Interest discount for poultry industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To control the spread of deadly avian flu virus.

4. Background and authority for the subsidy

MOF, MOA.

5. Legislation under which it is granted

MOF Circular Cai Jin No. 30 of 2004;
MOF Circular Cai Jin No. 134 of 2005;
MOF Circular Cai Jin No. 65 of 2006.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

The interest rate on current funds loans of poultry farming, processing and vaccine production enterprises may be subsidized as appropriate on the condition that the enterprises meet stipulated requirements.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

For poultry farming and processing enterprises, 31 January 2004 to 31 July 2004, 1 November 2005 to 30 June 2006 and from 1 July 2006 to 31 December of 2006. For vaccine production enterprises, from 1 November 2005 to 30 June 2006 and from 1 July 2006 to 31 December of 2006.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

76.1. Title of the subsidy programme

Preferential tax treatment for tea sold in the border areas.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To ensure the supply to the border areas with minority ethnic groups residence.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 71 of 2001;
MOF Circular Cai Shui No. 103 of 2006;
MOF Circular Cai Shui No. 141 of 2009.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The VAT on tea sold in the border areas produced by designated enterprises and distributed by designated distribution entities shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1994 to the end of 2010.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

77.

1. Title of the subsidy programme

Preferential tax treatment for imported products for the purpose of replacing the planting of poppies.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the replacement of the planting of poppies.

4. Background and authority for the subsidy

MOF, SAT, General Administration of Customs (GAC).

5. Legislation under which it is granted

MOF Circular Cai Shui No.63 of 2000.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Tariffs and import VAT on imported products within the approved scope for the purpose of replacing the planting of poppies in the border areas in Yunnan province shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2000 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

78.

1. Title of the subsidy programme

Preferential tax policies on imports of seeds (seedlings), breeding stock (fowl), fish fries (breeds) and non-profit-making wild animals and plants kept as breeds during the period of the "Tenth Five-Year Plan".

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To introduce and promote improved breeds, to strengthen the protection of species resources, and to develop high-quality, productive and efficient agriculture and forestry industries.

4. Background and authority for the subsidy

MOF, SAT, MOA, SFA.

5. Legislation under which it is granted

MOF Circular Cai Shui No.130 of 2001.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The import VAT for imported seeds (seedlings), breeding stock (fowl), fish fries (breeds) and non-profit-making wild animals and plants kept as breeds which are within the approved quantity and scope shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2001 to 2005.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

79.

1. Title of the subsidy programme

Preferential tax policies on imports of seeds (seedlings), breeding stock (fowl), fish fries (breeds) and wild animals and plants kept as breeds during the period of the "Eleventh Five-Year Plan".

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To introduce and promote improved breeds, to strengthen the protection of species resources, and to develop high-quality, productive and efficient agriculture and forestry industries.

4. Background and authority for the subsidy

MOF, SAT, MOA, SFA.

5. Legislation under which it is granted

MOF Circular Cai Guan Shui No.3 of 2006;
MOF Circular Cai Guan Shui No.38 of 2006;
MOF Circular Cai Guan Shui No.50 of 2009.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

The import VAT for imported seeds (seedlings), breeding stock (fowl), fish fries (breeds) and wild animals and plants kept as breeds which are within the approved quantity and scope shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2006-2010.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

80.

1. Title of the subsidy programme

Preferential tax treatment for endangered wild animals and plants as well as their products returned by foreign governments, by the government of Hong Kong, China or the government of Macao, China to China.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To facilitate the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and to protect wild animals and plants.

4. Background and authority for the subsidy

MOF, GAC, SFA.

5. Legislation under which it is granted

MOF Circular Cai Shui No.8 of 2003.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

Tariff and import VAT on the endangered wild animals and plants as well as their products which are listed in the appendix to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, returned by foreign governments, by the government of Hong Kong, China, or by the government of Macao, China to the Office of the Administration of Import and Export of Endangered Species under the SFA shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 2002 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

81.**1. Title of the subsidy programme**

Preferential tax policies for foreign invested enterprises and foreign enterprises which have establishments or place in China and are engaged in production or business operations purchasing domestically produced equipment.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To attract foreign investment and support technology renovation.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.49 of 2000;
SAT Circular Guo Shui Fa No.90 of 2000;
MOF Circular Cai Shui No.1 of 2008;
SAT Circular Guo Shui Fa No.52 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

For the investment projects listed as encouraged category in the "Catalogue for the Guidance of the Foreign Investment Industries" of foreign invested enterprises and foreign enterprises which have establishments or place in China engaged in production or business operations, 40 per cent of the expenses on purchasing domestically produced equipments within the total investment of the project, or beyond the total investment of the project but for the purpose of upgrading the existing equipments and crafts, shall be deducted from the increment of income tax of that year compared to the previous year. Herein the "domestically produced equipment" do not include those imported directly by other enterprises, or those produced by processing trade and compensatory trade, or those listed in the "Catalogue for the Imported Products not subject to Tax Exemption in Foreign Investment Projects" as stipulated in State Council Circular Guo Fa No.37 of 1997. The deducted portion shall not exceed that year's total increment of income tax, and in the case where the total increment of income tax is less than 40 per cent of such expenses, the exceeding part of the deductible expenses can be deducted from the next year's increment of income tax. Such postponement of deductibility shall not last for more than 5 years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 July 1999 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

82.

1. Title of the subsidy programme

Preferential tax policies for domestic enterprises purchasing domestically produced equipments for technology upgrading purpose.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage domestic investment and support the technology upgrading of enterprises.

4. Background and authority for the subsidy

MOF, SAT, NDRC.

5. Legislation under which it is granted

MOF Circular Cai Shui No.290 of 1999;
MOF Circular Cai Shui No.1 of 2008;
SAT Circular Guo Shui Fa No.52 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

For technology upgrading projects of domestic enterprises consistent with the state industrial policies, 40 per cent of the expenses on purchasing domestically produced equipments shall be deducted from the increment of income tax of that year compared to the previous year. In the case

where the total increment of income tax is less than 40 per cent of such expenses, the exceeding part of the deductible expenses can be deducted from the next year's increment of income tax. Such postponement of deductibility shall not last for more than 5 years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 July 1999 to the end of 2007.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

83.

1. Title of the subsidy programme

Exemption of tariff and import VAT for the imported technologies and equipments.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To attract foreign investment, to encourage domestic investment and to stimulate structural adjustment and industrial upgrading.

4. Background and authority for the subsidy

MOF, SAT, NDRC, MOFCOM, GAC.

5. Legislation under which it is granted

State Council Circular Guo Fa No.37 of 1997;
MOF Circular Cai Guan Shui No.11 of 2007;
MOF Circular Cai Shui No.170 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

For foreign-invested projects listed as encouraged category in the "Catalogue for the Guidance of the Foreign Investment Industries", the equipment purchased for self-use within the total investment of the project, excluding those listed in the "Catalogue for the Imported Products not subject to Tax Exemption in Foreign Investment Projects", shall be exempted from tariff and import VAT. For the projects using the loans provided by foreign governments or by international financial organizations, the equipment purchased for self-use within the total investment of the projects, excluding those listed in the "Catalogue for the Imported Products not subject to Tax Exemption in Foreign Investment Projects", shall be exempted from tariff and import VAT. For the domestic invested projects listed in the "Catalogue of the Industries, Products and Technologies Particularly Encouraged by the State", the equipment purchased for self-use within the total investment of the project, and the technologies, accessories and spare parts imported with the equipment as provided in the contract, excluding those listed in the "Catalogue for the Imported Products not subject to Tax Exemption in Domestic investment Projects", shall be exempted from tariff and import VAT.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1998 to the end of 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

84.1. Title of the subsidy programme

Subsidy for scrapping old vehicles.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage people to replace their old vehicles.

4. Background and authority for the subsidy

MOF, MOFCOM.

5. Legislation under which it is granted

MOF Circular Cai Jian No.742 of 2002.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

Consumers meeting certain requirements will be subsidized when scrapping their old vehicles. The amount of subsidy will be publicized annually.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
250	140	122	260

9. Duration of the subsidy and/or any other time-limits attached to it

2002 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

85.1. Title of the subsidy programme

Preferential tax policies for integrated circuit industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the development of integrated circuit industry.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

State Council Circular Guo Fa No.18 of 2000;
MOF Circular Cai Shui No.25 of 2000;
MOF Circular Cai Shui No.70 of 2002;
MOF Circular Cai Shui No.174 of 2004;
MOF Circular Cai Shui No.136 of 2002;
MOF Circular Cai Shui No.152 of 2002;
MOF Circular Cai Guan Shui No.45 of 2004;
Law of the People's Republic of China on Enterprise Income Tax (2007);
MOF Circular Cai Shui No.1 of 2008;
MOF GAC SAT Announcement No.43 of 2008.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) From 1 January 2002 to the end of 2010, investor of integrated circuit producing or packaging enterprise who reinvests its share of profit obtained from the enterprise, after paying income tax, directly into that enterprise in order to increase its registered capital, or uses the profit as capital investment to establish other integrated circuit producing or packaging enterprises with the operating period of not less than 5 years, shall be refunded 40 per cent of the enterprise income tax already paid on the reinvested amount.
- 2) From 1 January 2002 to the end of 2010, domestic or foreign economic entities investing its share of profit obtained inside China, after paying the income tax, into integrated circuit producing or packaging enterprises located in the western regions with the operating period of not less than 5 years, shall be refunded 80 per cent of the enterprise income tax already paid on the reinvested amount.
- 3) From 1 July 2000 to present, integrated circuit producing enterprises with investment of more than RMB 8 billion or producing integrated circuit with a line width lesser than 0.25 um shall enjoy the same preferential tax treatment as that to encourage the foreign investment in energy and transportation sectors before 2008, which is that enterprise income tax is collected at the reduced rate of 15 per cent. Enterprises with the operating period of more than 15 years shall be exempt from enterprise income tax from the first year to the fifth year starting from the year beginning to make profit, and subject to enterprise income tax at a rate reduced by half from the sixth year to the tenth year.
- 4) From 1 July 2000 to present, the imported raw materials for self production and expendables listed in the Circular of integrated circuit producing enterprises with investment of more than RMB 8 billion or producing integrated circuit with a line width lesser than 0.25 um shall be exempt from tariff and import VAT.

From 1 January 2001 to present, the imported specialized building material and integrated circuit components listed in the Circular of integrated circuit producing enterprises with investment of more than RMB 8 billion or producing integrated circuit with a line width lesser than 0.25 um shall be exempt from tariff and import VAT.

5) From 2002 to present, the accredited integrated circuit producing enterprises producing integrated circuit with a line width of 0.8 um or less shall, from the year beginning to make profit, be exempted from income tax in the first and second years and allowed a 50 per cent reduction in the third to the fifth years.

6) From 1 October 2004 to present, the imported raw materials for self production and expendables listed in the Circular of integrated circuit producing enterprises producing integrated circuit with a line width of 0.8 um or less shall be exempt from tariff and import VAT.

7) From 2002 to 31 March 2005, VAT taxpayers selling independently-developed integrated circuit products shall be refunded upon collection the portion of the VAT paid which exceeds 3 per cent.

8) From 1 July 2000 to present, imported technology and whole set of equipment for production of integrated circuit products, and separately imported special equipment and apparatus to produce integrated circuit products by accredited integrated circuit producing enterprises shall be exempt from tariff.

From 1 July 2000 to 31 December 2008, imported technology and whole set of equipment for production of integrated circuit products, and separately imported special equipment and apparatus to produce integrated circuit products by accredited integrated circuit producing enterprises shall be exempt from import VAT.

The above mentioned technology and equipment shall exclude those listed in the "Catalogue for the Imported Products not subject to Tax Exemption in Foreign Investment Projects" or in the "Catalogue for the Imported Products not subject to Tax Exemption in Domestic investment Projects".

9) From 1 July 2000 to present, the depreciation period for manufacturing equipment of integrated circuit producing enterprises may be shortened as appropriate, with the minimum of 3 years.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) and 2) 1 January 2002 to the end of 2010;

3) 1 July 2000 to present;

4) 1 July 2000 to present, or 1 January 2001 to present;

5) 2002 to present;

6) 1 October 2004 to present;

7) 2002 to 31 March 2005;

8) 1 July 2000 to present, or 1 July 2000 to 31 December 2008;

9) 1 July 2000 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

86.1. Title of the subsidy programme

Fund for research and development of integrated circuit industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the research and development of integrated circuit industry.

4. Background and authority for the subsidy

MOF, NDRC, MIIT.

5. Legislation under which it is granted

MOF Circular Cai Jian No.132 of 2005.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

Government aid is provided to projects meeting certain requirement of an enterprise which is an independent legal person engaged in design, manufacturing, packaging or test of integrated circuits and registered within the territory of the People's Republic of China (excluding Hong Kong, China; Macao, China and Chinese Taipei). The amount of aid to a single research and development project shall not exceed 50 per cent of the cost of such an activity.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
150	250	300	400

9. Duration of the subsidy and/or any other time-limits attached to it

June 2005 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

87.1. Title of the subsidy programme

Fund for development of electrical information industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support research and development activities of the electrical information industry.

4. Background and authority for the subsidy

MOF, MIIT.

5. Legislation under which it is granted

MOF Circular Cai Jian No.425 of 2001;
MOF Circular Cai Jian No.866 of 2007.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

This fund is provided in the form of government grant, interest discount or venture investment to enterprises with projects approved after application or bidding procedures.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
550	600	600	800

9. Duration of the subsidy and/or any other time-limits attached to it

1986 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

88.

1. Title of the subsidy programme

Fund for high technology R&D for packaging industry.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To support the research and development activities of packaging industry, to promote the development of recycling economy and green packaging.

4. Background and authority for the subsidy

MOF.

5. Legislation under which it is granted

MOF Circular Cai Qi No.107 of 2005;
MOF Circular Cai Qi No.154 of 2008.

6. Form of the subsidy

Financial appropriations.

7. To whom and how the subsidy is provided

This fund is provided in the form of government grant and interest discount to enterprises with projects approved after application and reviewed by experts. The amount of government grant shall not exceed RMB 5 million or the capital invested by the enterprises themselves. The period of each project to enjoy interest discount shall be no more than 2 years and the total amount that each project receives in the form of interest discount shall be no more than RMB 5 million.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: million RMB

2005	2006	2007	2008
30	30	30	30

9. Duration of the subsidy and/or any other time-limits attached to it

2005 to present.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

89.

1. Title of the subsidy programme

Preferential tax treatment for raw copper materials.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To promote technology upgrading of enterprises.

4. Background and authority for the subsidy

MOF, SAT, GAC.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 81 of 2003;
MOF Circular Cai Shui No.10 of 2004;
MOF Circular Cai Guan Shui No. 12 of 2005;
MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

30 per cent of import VAT on copper concentrate, waste copper and unrefined copper imported within the approved quantity by copper refineries with production or refining capacity of electrolytic copper over 30,000 tons which meet the criteria of environmental protection shall be refunded after collection.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

2003 to 2005.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

90.

1. Title of the subsidy programme

Preferential tax treatment for casting and forging products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the technology upgrading of enterprises and the research and development activities of the casting and forging products.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 96 of 2003;
MOF Circular Cai Shui No.150 of 2006;
MOF Circular Cai Shui No.151 of 2006;
MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

From 1 January 1998 to 31 December 2008, the VAT on the casting and forging products which are used in producing machinery, manufactured and sold by the specialized casting and forging enterprises listed in the annex to the Circular shall be collected according to stipulations at first, and then 35 per cent of the actually collected VAT shall be refunded.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1 January 1998 to 31 December 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

91.1. Title of the subsidy programme

Preferential tax treatment to dies products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage the technology upgrading of enterprises and research and development of dies products.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 95 of 2003;
MOF Circular Cai Shui No.152 of 2006;

MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) From 1 January 2003 to 31 December 2005, the VAT on the dies products manufactured and sold by the specialized dies manufacturing enterprises listed in the annex to the Circular shall be collected according to stipulations at first, and then 70 per cent of the actually collected VAT shall be refunded.

2) From 1 January 2006 to 31 December 2008, the VAT on the dies products manufactured and sold by the specialized dies manufacturing enterprises listed in the annex to the Circular shall be collected according to stipulations at first, and then 50 per cent of the actually collected VAT shall be refunded.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) 1 January 2003 to 31 December 2005;

2) 1 January 2006 to 31 December 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

92.

1. Title of the subsidy programme

Preferential tax treatment to numerically controlled machine tool products.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To encourage enterprises to conduct research and development of numerically controlled machine tool products.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No. 97 of 2003;
MOF Circular Cai Shui No.149 of 2006;
MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

1) From 1 January 2003 to 31 December 2005, the VAT on numerically controlled machine tool products produced and sold by certain numerically controlled machine tool manufacturing enterprises shall be refunded after collection.

2) From 1 January 2006 to 31 December 2008, the VAT on numerically controlled machine tool products produced and sold by certain numerically controlled machine tool manufacturing enterprises shall be collected according to stipulations at first, and then 50 per cent of the actually collected VAT shall be refunded.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

1) 1 January 2003 to 31 December 2005;

2) 1 January 2006 to 31 December 2008.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

93.

1. Title of the subsidy programme

Preferential tax treatment to anti-HIV-AIDS medicine.

2. Period covered by the notification

2005-2008.

3. Policy objective and/or purpose of the subsidy

To push forward the prevention and cure of HIV-AIDS.

4. Background and authority for the subsidy

MOF, SAT.

5. Legislation under which it is granted

MOF Circular Cai Shui No.160 of 2002;
MOF Circular Cai Shui No.181 of 2003;
MOF Circular Cai Shui No.1 of 2007;
MOF Circular Cai Shui No.49 of 2007;
MOF Decree No.48.

6. Form of the subsidy

Preferential tax treatment.

7. To whom and how the subsidy is provided

- 1) From 1 January 2002 to the end of 2010, tariffs and import VAT and VAT in domestic circulation stages on imported anti-HIV-AIDS medicine shall be exempted.
- 2) From 1 July 2003 to the end of 2010, VAT in production and circulation stages on domestically produced anti-HIV-AIDS medicine by designated domestic producers shall be exempted.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

- 1) 1 January 2002 to the end of 2010.
- 2) 1 July 2003 to the end of 2010.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Not available.

Note:

1. The 12 border cities, counties or towns refer to Heihe, Suifenhe in Heilongjiang Province, Hunchun in Jilin Province, Manzhouli in Inner Mongolia Autonomous Region, Yining, Bole, Tacheng in Xinjiang Uygur Autonomous Region, Pingxiang, Dongxing in Guangxi Zhuang Autonomous Region, Wanting, Ruili and Hekou in Yunnan Province.
 2. The costal economic open areas firstly referred to the 14 coastal open cities of Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, Beihai. In 1985 the Yangtze River Delta, the Pearl River Delta and the triangle area in Fujian Province of Xiamen, Zhangzhou and Quanzhou cities were open to be included in the costal economic open areas. In 1988 the area was further expanded to the Liaodong Peninsula, Shandong Peninsular and etc. to include 153 cities and counties in Tianjin Municipality, Hebei Province, Liaoning Province, Jiangsu Province, Zhejiang Province, Fujian Province, Shandong Province and Guangxi Zhuang Autonomous Region. In 1990 the city of Jinan was open. In 1992 5 cities along the Yangtze river namely Chongqing, Yueyang, Wuhan, Jiujiang, Wuhu, 6 provincial capital cities in border and coastal provinces and autonomous regions namely Harbin, Changchun, Hohhot, Shijiazhuang, Nanning and Kunming and 11 provincial capital cities of inland provinces and autonomous regions namely Taiyuan, Hefei, Nanchang, Zhengzhou, Changsha, Chengdu, Guiyang, Xi'an, Lanzhou, Xining and Yinchuan began to implement the policies of the costal economic open areas. In 1993 the city of Huangshi along the Yangtze River also began to implement the policies of the costal economic open areas.
 3. The Three Gorges of Yangtze River Economic Zone refers to Yichang County, Zigui County and Xingshan County under the Yichang City of the Hubei Province, Badong County of the Enshi Tujia and Miao Autonomous Prefecture of Hubei Province, Wushan County, Wuxi County, Fengjie County, Yunyang County, Kai County and Zhong County under the Wanxian City of Sichuan Province, Shizhu County under the Qianjiang Prefecture and Fengdu County, Wulong County under the Fuling Prefecture of Sichuan Province, and Changshou County, Jiangbei County, Ba County and Jiangjin City under Chongqing City. Here the administrative division was that before the establishment of the Chongqing Municipality directly under the Central Government.
 4. The western regions refer to Chongqing Municipality, Sichuan Province, Guizhou Province, Yunan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region, Qinghai Province, Xinjiang Uygur Autonomous Region, Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region.
-