WORKING PARTY ON CHINA'S STATUS AS A CONTRACTING PARTY

Communication from China

The following communication, dated 23 May 1994, has been received from the Permanent Representative of the People's Republic of China with the request that it be circulated to members of the Working Party.

Attached please find 10 documents\(^1\) as follows:

1. The Interim Regulations for Import Quota Administration of General Goods.
2. The Detailed Rules for Implementing the Interim Regulations for Import Quota Administration of General Goods.
3. Interim Measures for Import Administration of Machinery and Electronic Products.
5. The Detailed Rules for Implementation of the Administration Concerning Importation of Quota Products.
6. Product List Subject to Article 17.
7. List of Products for which Licensing and Quotas have been Removed (Effective from 1 Jan. 1994).
8. List of Products no longer subject to Quotas and Licensing (Effective from 1 June 1994)
9. List of Products Subject to Import Quotas, Licensing and Tendering (Effective from 1 Jan. 1994).
10. List of Products Under Import quotas, Licensing and Tendering without Removal Schedule.

\(^1\)As submitted in English and Chinese

*Documents available for consultation in the Secretariat, Office 2028
The Interim Regulations for Import Quota Administration of General Goods
(approved by the State Council on Dec. 22, 1993, and promulgated by the State Planning Commission and MOFTEC on Dec. 29, 1993)

Article 1 These regulations are formulated with a view to promoting national economic and foreign trade development and further reforming and perfecting on import administration system according to the requirement of establishing the socialist market economy.

Article 2 In accordance with the state industrial policy and the sectoral development programme, and taking into account of the international practice, quota administration is exercised on those products for which appropriate amount of import is needed to adjust the market supply but excessive import will seriously injur the development of the like domestic industries and on those products the import of which will have adverse effect on adjustment of the import structure and the industrial structure and the excessive imports of which will endanger the international balance of payment situation.

Article 3 For the purpose of these regulations, the general goods under the import quota administration, refer to the goods subject to quota other than the machinery and electronic products, which are subject to import quota administration (for list of the goods see Annex).

Article 4 The State Planning Commission is in charge of general administration and coordination on the import quotas of general goods in accordance with the Programme of the State Economic Development and the requirement of the State Industrial Policy. The State Planning Commission will, in consultation with relevant departments, give suggestions on and submit to the State Council the adjustment of the list of the general goods subject to import quota administration for approval by the State Council and to be published for application.

Article 5 According to the situation of balance of payment of the state foreign exchange, the requirement of and domestic industrial and agricultural production and construction and demand of the market, and the requirement of national security and environment protection, the State Planning Commission shall, in consultation with other relevant departments, submit the total annual import quotas of the general goods to the State Council for ratification. With the approval by the State Council, it shall be incorporated in the state Annual Plan for
Economic and Social Development and the quotas will be distributed to each area and each department by the State Planning Commission, according to their actual situation of economic development and their requirement in production and construction.

Article 6 Under the supervision of the State Planning Commission, the designated administrative authorities of each province, autonomous region, municipality, cities on a separate planning list and other departments concerned under the State Council (hereinafter referred to as the authorities) are responsible for the administration and coordination of import quotas of the general goods of their own localities and its own departments and for submitting, to the State Council, the report on overall demand for import quotas of their localities or its own departments, and for the examination and approval of the enterprises’ applications for import quotas in their own localities and their own departments within the total quotas assigned by the State Planning Commission.

Article 7 The enterprises (the production enterprises and other enterprises having obtained legal person status by way of registering in the industrial and commercial administrative departments,) shall apply for the import quotas with the General Goods Import Quota Administrative departments in their localities.

Article 8 The enterprises applying for import quotas, shall produce documents to the authorities indicating the use of import quotas, the ability to pay for import, and the actual situation of implementation of previous year’s quotas and other relevant documents.

Article 9 Upon receipt of the application, the authorities shall issue within the overall import quotas assigned by the State Planning Commission, the import quota certificate after examination of the use of import quotas and the ability to pay for import, according to the actual productive and operative ability and the quota level of previous year. The authorities shall notify the enterprises applying for import quota within 20 days, if their applications are rejected.

Article 10 The authentic seal for the certificate of import quota for general goods is the Special Seal for Import Quotas of General Goods, uniformly made by the State Planning Commission.

Article 11 After obtaining the certificate issued by the authorities, the enterprises with import rights can conduct the business by themselves, and the enterprises without import rights shall entrust foreign trade corporations with import rights to conduct business on their behalf.

The enterprises shall apply for the import licences in MOFTEC or other designated issuing authorities with the import
quota certificates. The customs shall examine and release the goods on presentation of the import licences.

Article 12 The imported general goods subject to the quota administration for the purpose of reexport or transshipment will be under the customs supervision in accordance with relevant Customs Regulations.

Article 13 The general goods subject to quota administration imported by the foreign invested enterprises for the purpose of investment, shall be dealt with in accordance with the existing laws and regulations on foreign investment. The general goods subject to quota administration imported for production of products for domestic sale will be incorporated into the overall state plan of import quota and administered by MOFTEC in accordance with the prevailing laws and regulations.

Article 14 For the import of donated general goods subject to quota administration, procedures shall be followed in accordance with these Regulations, after approval by relevant authorities according to relevant regulations of the State, in accordance with the subordinative relation of the consignee.

Article 15 For the import of the general goods subject to quota administration using loans from foreign governments and projects of international financial organizations, procedures shall be followed in accordance with these Regulations, in accordance with the subordinative relation of the contractor of the project.

Article 16 The importer shall be considered as in violation of these regulations under one of the following circumstances:

1) signing contract and receiving goods without being granted the certificate of import quota according to these regulations;

2) arbitrary alteration and forgery of the certificate of import quota;

3) arbitrary transfer of and illegal selling of the certificate of import quota;

4) violating the Interim Regulations of the People's Republic of China on the Licensing System for Import Commodities.

Article 17 The customs shall deal with the violations of these regulations in accordance with the Customs Law of the People's Republic of China and the Rules for the Implementation of Administrative Punishments under the Customs Law of the People's Republic of China. If the offence is so serious as to constitute a violation of law, criminal sanction will be imposed according to law.
Article 18  The import administration personnel committing negligence of duty, bend the law for the private benefits or abuse power shall be given disciplinary sanction by supervisory departments according to the seriousness of his case, and shall be investigated for criminal responsibility according to law if it constitutes the breaking of law.

Article 19  The State Plan Commission shall be responsible for interpreting and implementing these regulations.

Article 20  In case of any inconsistency with earlier regulations, these regulations shall apply. These regulations shall enter into effect from January 1, 1994.
The Detailed Rules for Implementing
the Interim Regulations for Import Quota Administration
of General Goods

In accordance with the "Interim Regulations for Import Quota Administration of General Goods", and in order to properly administrate the importation of goods subject to quotas, to clarify the administrative procedures of import quotas and standardize the procedures of issuance of import quotas, the "Certificate for Import Quotas of General Goods" is formulated for the 25 goods, excluding carbonic acid drinks, subject to quotas under the administration of the State Planning Commission. The detailed implementing rules are as follows:

Article 1 The certificate of import quotas for general goods, is printed under the supervision of the State Planning Commission, and serves as the evidence for application for import licences by the importers.

Article 2 The certificate of import quotas for general goods is issued by the quotas administration authorized by the State Planning Commission after verification, according to the quotas allocated by the State Planning Commission, and the certificate bears the Special Seal for Import Quotas for General Goods made under the supervision of the State Planning Commission. When the enterprises, under other ministries which are not authorized by the State Planning Commission, are in need of importing goods subject to quotas, the certificates shall be issued by the Ministry of foreign Trade and Economic Cooperations (MOFTEC), according to the quotas allocated by the State Planning Commission.

Article 3 The certificate of import quotas for general goods is done in five copies. The first one (in blue) is the evidence for application for the import licence; the second one (in purple), as the evidence for booking, shall be handed with the import licence to the foreign trade company which has the right to engage in trading the goods in question for bookings; the third one (in red) shall be kept by the authorities issuing the certificate; the fourth one (in black) shall be handed over to the customs office at the port of importation; and the fifth one (in yellow) shall be kept for file by the issuing authority of the certificate.

Article 4 The enterprises, when importing goods subject to quota administration, shall apply for the import licence in the period of validity of the specially sealed Certificate of Import Quotas for General Goods, issued by the quota administrative authorities. The customs shall release the goods on the strength of the import licences issued by designated authorities. The application for
import licences shall be rejected by the licence issuing authorities of MOFTEC either in the case when the certificate of import quotas for general goods is incomplete or expired, or in the case when the application was made with other documents.

Article 5 In the case of donated goods subject to import quota, the consignee shall, according to relevant state regulations and after the approval by relevant authorities, go through the formalities with the document of approval for the certificate of import quotas for general goods at the quota administrative authorities.

Article 6 In the case of importing goods subject to import quotas using the loans by foreign governments or international financial organizations, the contractor of the project shall, according to the relevant state regulations and after the approval by relevant authorities, go through the formalities with the document of approval at the quota administrative authorities.

Article 7 The general goods subject to quotas imported for the purpose of reexportation after processing with the supplied or imported materials or in the form of transshipment, are place under the customs supervision and custody in accordance with the existing regulations.

Article 8 The general goods subject to quotas imported by the foreign invested enterprises for the purpose of investment, or their own use or for the production of products to be sold in the domestic market, shall be released by the customs with the import licence issued by issuing authorities designated by the MOFTEC.

Article 9 The issuing authorities designated by MOFTEC shall issue, according to the amount of the quotas allocated by the State Planning Commission, the import licences and write off the equivalent quotas in question after strict examination of the certificate of import quotas for general goods and the attached booking card of the enterprises applying for import licences and finding no mistakes.

Article 10 The certificate of import quotas for general goods is valid for 3 months and the import quotas shall be void even if the import licences is not applied within this period of time.

Article 11 The reselling, alteration and forgery of the certificate of import quotas for general goods is prohibited.

In the case of violation of the administration regulations of the certificate of import quotas for general goods by entities or individuals, they shall be brought to
disciplinary sanctions depending on the degree of offence or to criminal sanctions in the case of an offence constituting the breaking of law.

Article 12 These rules shall enter into effect on the day of receipt.
Annex I The Form of the Certificate of Import Quotas for General Goods

Annex II Quota Administrative Authorities Designated by the State Planning Commission

Annex III List of General Goods Subject to Import Quotas and Issuing Authorities of Import Licences
Interim Measures for Import Administration of Machinery and Electronic Products

Chapter I General Rules

Article 1 These measures are formulated with a view to meeting the needs of development of the socialist market economy, implementing the industrial policy of the State, introducing actively the advanced technological equipments from abroad and adjusting rationally import structure.

Article 2 For the purpose of these interim measures, the machinery and electronic products refer to machinery equipments, electronic products and spare parts and components.

Article 3 All enterprises, institutions, organs, organizations (hereinafter referred to as unit), when importing machinery and electronic products, shall abide by these measures.

Article 4 The State encourages the imports of advanced technological equipment, high-tech products; does not encourage the imports of general processing equipments and luxury consumer goods, and prohibits the imports of the machinery and electronic products which will jeopardize the national security and physical and mental health of the citizens.

Article 5 Imported machinery and electronic products must accord with the technical standards for safety and environment protection acknowledged internationally or bilaterally (between China and the country of origin), and the certificate of safety and environment protection shall be provided by internationally or bilaterally-recognized institutions.

Article 6 The State shall provide macro guidance on general scale of annual imports of machinery and electronic products, on the basis of the need of the development of national economy, and foreign exchange availability, in accordance with the principle of general balance of import and export.

Article 7 The State Office for Import and Export of Machinery and Electronic Products (hereinafter referred to as Office), under the State Economic and Trade Commission, is established to take the responsibility for coordination, administration, inspection and supervision of national import of machinery and electronic products.

Under the guidance of the Office, the People's governments of provinces, autonomous regions, municipalities, cities on the separate planning list,
coastal open cities, special economic zones and administrative authorities designated by the relevant departments of the state Council, take the responsibility for the import administration of machinery and electronic products in their own areas.

Article 8 The State administration of import for machinery and electronic products falls into the systems of quotas and non-quotas.

Chapter II Quota Administration

Article 9 In accordance with the state industrial policy and the sectoral development programme and taking into account of the international practice, the state shall exercise administration through quotas for the machinery and electronic products contained in the list of quota-administrated machinery and electronic products, which, in proper amount of importation, will help adjust the supply situation in the market and which, in excessive importation will cause substantial damage to like domestic industry, or which have direct adverse impact on the structure of imports and the adjustment of structure of industries and which will endanger the status of balance of payments of foreign exchange.

Article 10 In order to meet the requirement of state industrial development and import policy, the State Economic and Trade Commission, with other departments concerned, shall submit to the State Council suggestions on the adjustment of the items of import quota-administrated machinery and electronic products. The suggestions shall be made available to the public for implementation after the approval by the State Council.

Article 11 The annual quotas for the machinery and electronic goods subject to import quotas shall be set and approved by the State Council and the Office is responsible for allocation of the quotas. The detailed rules shall be formulated by the Office.

Article 12 The entity importing the machinery and electronic product subject to import quotas are required to fill in the form of application for importing machinery and electronic products and produce relevant documents and explanation to the administrative authorities for imports of machinery and electronic of its own locality of its own departments. The authorities shall transfer to the Office for ratification and the issuance of quota certificate.

Article 13 The import entity can apply for the import licence, with the quota certificate issued by the Office, to MOFTEC. The customs shall examine and release the
products on the presentation of the import licence.

Article 14 If the total value of each set of imported parts of the machinery and electronic products subject to quotas reaches 60% of or above the value of the complete set of the same model, they shall be regarded as complete sets and treated in accordance with the regulations of the import quota administration of machinery and electronic products.

Chapter III Non-Quota Administration

Article 15 Other machinery and electronic products which are not subject to import quotas, are under the non-quota administration. For the products which have been developed domestically or those which are still at the initial stage of production with the imported technology and acceleration of development is needed, they are listed in the specific product list and open tendering shall be carried out. The Office shall issue certificate of import in accordance with the outcome of the tendering, and the customs shall release the products on the presentation of the certificate. Other machinery and electronic products subject to non-quota administration shall fall into the category of automatic registration.

Article 16 The list of the specific products and the detailed rules for administration of the products contained in the list shall be established by the State Economic and Trade Commission, MOFTEC and other departments concerned and submitted to the State Council and shall be published for implementation after approval by the State Council.

Article 17 The administrative authorities of the regions and departments for the imports of machinery and electronic products are authorized to exercise administration on registration of machinery and electronic products subject to non-quota administration. The import entity shall obtain the application form in the import administration of machinery and electronic products of its region or its own departments and fill in the forms with the items, quantity, amount of value and country, etc.

The above-mentioned administration can reject the registration under one of the following circumstances:
1. the import of the products is prohibited by the State;
2. the import of the products does not accord with the bilateral or multilateral trade agreements;
3. the import of the products jeopardizes the national security and physical and mental health of the citizens.

If within 10 days, the above-mentioned administrative authorities for import of machinery and electronic products does not raised any objection, it shall be regarded as registered automatically.
Article 18 As regarding the machinery and electronic products under non-quota administration subject to automatic registration, the customs shall release the products on the presentation of document of registration.

Chapter IV Supervision and Safeguard

Article 19 Import certificate (including quota certificate, Ibid) is valid for one year. For Import products which are not delivered for justified reasons in the period of validity, the importer may apply to the original certificate-issuing department for extension of validity period.

Article 20 For machinery and electronic products required of import certificate according to the provisions of the regulation, contracts can be signed only after the obtaining of the import certificate.

Article 21 Import Administrations in various regions, and departments shall report import statistics data of its region or department according to the State Statistics system and report timely to the competent department of the state on the situation of the import regulation of its region and department.

Article 22 When there is a sharp increase of the import of a particular kind of machinery and electronic products which results in substantial damage or threat of substantial damage to domestic like industry or the interests of domestic producers of like products, the Office and other departments shall adopt necessary measures to eliminate or alleviate the damage or threat thereof according to the laws and regulations and judicial procedures.

Chapter V Legal Responsibility

Article 23 Import unit falling into one of the following situations shall be regarded as violating the regulations:
   a. signing contracts and setting the shipment without obtaining import certificate according to the provisions of the regulation;
   b. unauthorized alteration and forgery of the import certification;
   c. dividing the imported machinery and electronic products into parts and parcel, subsigning the contracts or subshipment, dispersed import and purposely escaping from supervision;
   d. unauthorized transfer and selling of import certificate;
   e. in violation of provisional regulation on licensing system of imported products by PRC;
   f. failure to obtain approval and registration.
Article 24 The violation of the provisions of this regulation will be dealt with by the Customs Administration according to "the Customs Law of PRC and the Detailed Provisions for Implementation of the Customs Administrative Penalty". If it involves serious violation of law, the violator shall be referred to the judicial department for criminal penalty.

Article 25 If persons in charge of import regulation are found guilty of neglecting duty, malpractice and abusing power, they shall be given administrative sanction by the prosecuting department according to the seriousness of the offence. If the person violates the law, he shall be held responsible for criminal penalty.

Chapter VI Supplementaries

Article 26 Machinery and electronic products used as form of investment by foreign invested enterprises and imported for their own use shall be handled by the current state laws and regulations on foreign investment.

Parts and components of machinery and electronic products that are to be imported by the foreign invested enterprises for the production of products sold domestically shall be handled according to this regulation.

Article 27 Materials imported from abroad and imported materials for procession directly used for production of machinery and electronic products and parts and components for the purpose of reexport or export, will be placed under the customs administration supervision and custody.

Machinery and electronic equipments for production under programme of materials imported abroad and imported material for procession shall be handled according to this regulation.

Article 28 Machinery and electronic products for lease and compensation trade shall be handled by this regulation.

Article 29 Machinery and electronic products as donation by overseas Chinese, compatriots in Hongkong, Macau and Taiwan shall be handled according to the "Provisions on Strengthening Administration of Goods donated by Overseas Chinese, Compatriots in Hongkong, Macau and Taiwan" and the relevant regulations.

Article 30 Import of in-quota machinery and electronic products using gratis by foreign governments and international organizations shall be dealt with in accordance with Article 12 of this regulation.

Article 31 Machinery and electronic products presented as
a gift in economic and trade relations, sent back by the
Chinese institutions set up abroad and from construction
site abroad shall be regarded as usual import, therefore
subject to the provisions of this regulation.

Article 32 The State Economic and Trade Commission (the
State Machinery and Electronic Products Import and Export
Office) is responsible for the interpretation and
implementation of this regulation.

Article 33 If any existing regulations are not in
consistence with this regulation, this regulation shall
apply. It shall enter into effect on Jan. 1, 1994.
The Detailed Rules For Implementation of the Import Administration of Specific Products

Article 1 These detailed rules for implementation are formulated according to the Interim Measures of Import Administration of Machinery and Electronic Products and with a view to ensuring proper import administration of the specific products.

Article 2 Contained in the list of specific products (see Annex I) are those machinery and electronic products for which domestic production has developed, or, technology for such production has been introduced, but stage of development and acceleration of development is required.

Article 3 The list of specific products shall be adjusted and published annually by the State Economic and Trade Commission and MOFTEC in consultation with other relevant departments.

Article 4 The specific products are purchased from international market principally by means of international tender. For products subject to tenders as required by regulation, or in the case the importers decide of their own accord to import non-tender products through tender, the importers make their own choice among the enterprises authorized to conduct international tender operation. For other products, the importers shall apply with the State Office for Import and Export of Machinery and Electronic Products (SOIEMEP) for import approval.

The list of products subject to tender is established by the SOIEMEP in consultations with other relevant departments.

Article 5 The Tendering Centre for Machinery and Electronic Equipments of China is in charge of organizing tender. The Import Administrative authorities for Machinery and Electronic Product in various areas and sectors (hereinafter referred to as regional or sectoral Import authorities for Machinery and Electronic Products) supervise and monitor the tender operation in their own geographical and sectoral constituencies.

The State Office for the Import and Export of Machinery and Electronic Products takes the responsibility of coordination when major disputes arise in the tender operation.

Article 6 The importers of the specific products, shall fill in and submit the Forms of Application for Importation of Machinery and Electronic Products (see Annex II) in
duplicates, to the State Office for the Import and Export of Machinery and Electronic Products through the local or sectoral Machinery and Electric Import authorities. For tender products required by relevant regulations, the importers shall present the evidence of international tender award before proceeding with importation formalities.

Article 7 The State Office for Import and Export of Machinery and Electric Products shall examine the application and issue the Machinery and Electronic Products Import Certificate (see Annex III) within 10 working days upon receiving the application. When the extension is required, the office shall inform the importers of the reasons and duration of extension within 10 working days.

Article 8 In the case of products subject to special state regulations (such as radio transmitter, satellite TV receiver etc.), the importer must attach special documents of approval.

Article 9 The specific products imported by foreign investment enterprises, investment enterprises with overseas Chinese and compatriots in Taiwan, Hongkong and Macao for domestic sale, for outward processing with supplied or imported materials and for the leasing and compensation trade shall be treated in accordance with this rules of implementation.

The specific products imported as inputs outward processing shall be placed under custom's custody.

Article 10 The specific products delivered in the form of grants in economic and trade exchanges, products repatriated by governmental institutions stationed abroad or returned equipment by the construction site economic shall be treated in accordance with these rules of implementation.

Article 11 The import of CKD or parts of which the total value of each set reach 60 per cent or above the value of the complete set of the same model shall be treated as the complete set and be dealt with in accordance with relevant provisions of this rules of implementation.

Article 12 The validity period of the Import Certificate of Machinery and Electronic Products is one year starting from the date of approval to the date of arrival. The importer shall go to the unit issuing the original certificate for any alteration of specifications, quantity, value (when foreign exchange cost exceeds 10 per cent of the documented amount) or extension of the validity period within the period of validity, which shall be duly stamped by the issuing unit.
Article 13 The contract of import of specific products shall be signed and the foreign exchange purchased only after obtaining the certificate for Import of Machinery and Electronic Products; the customs shall examine and release the products only on the presentation of the certificate for Import of Machinery and Electronic Products issued by the State Office for Import and Export of Machinery and Electronic Products.

Article 14 The State Office for Import and Export of Machinery and Electronic Products is responsible for the interpretation of these rules of implementation.

Article 15 This rule of implementation shall enter into force on the date of January 12, 1994.
The Detailed Rules for Implementation of the Administration Concerning Importation of Quota Products

Article 1. These rules are formulated in accordance with the Provisional Regulations on Administration of Importation of Electronic and Machinery Products with a view to achieving satisfactory import administration of quota products.

Article 2. The State applies import quotas on the machinery and electronic products of which excessive importation will seriously injure the development of like domestic industry, directly affect the adjustment of import and industrial structure and jeopardize the international balance of payments. (See annex I for product list.)

Article 3. Administrative agencies for the import and export of machinery and electronic products of different provinces, autonomous regions, municipalities under central government, coastal open cities, special economic zones and relevant departments in State Council (hereinafter called regional and departmental agencies for the importation of machinery and electronic products shall apply before the 31st day of October, each year for import quota for the following year to the State Import and Export Office for Machinery and Electronic products (hereinafter referred to as the Office).

Article 4. The Office sums up the import quota applications submitted by regional and departmental agencies. According to the capacity of foreign exchange payment, the needs of national economy and industrial development, market demands and taking into account the implementation of import quotas for machinery and electronic products for the previous year, the Office works out import quota programme in consultation with relevant departments and the programme will be implemented after the approval by the State Council.

Article 5. In compliance with the import quota programme approved by the State Council, and according to the state specified importation, the annual production plan of different regions and departments, the supplementary investment and the needs of various sectors, the Office, in consultation with relevant departments, allocates the quotas to regional and departmental agencies in accordance with the subordinative relationship. The principles for the allocation of quotas are as follows:

1) The import quota targets of supplementary parts of products are set taking into account the enterprise's production plan and the supplementary capability of domestic products. Among them, the products under the state
production plan are subject to the recommendations of the State Planning Commission; the products under the production plan of specific industrial sectors are subject to the recommendations of the relevant sectoral departments; the products listed in the regional and sectoral production plan are subject to the recommendations of the regional and sectoral agencies. The Office sums up all the recommendations and allocates the quota for different regions and sectors.

2) Quota targets of the importation of full set equipment are set according to the development of the national economy, the market demand and the supply capacity of domestic machinery and electronic products. Among them, the importation or the state sponsored projects are implemented according to the quantity approved by the State Council; the importation of investment projects will be arranged according to the project proposal or feasibility study report of the project and the attached list of import equipment; the special requirement or equipment needed for business of different regions and sectors will be arranged taking into account the import quantity and the supply capacity of the like equipment; the import quota products for direct distribution in the domestic market will be arranged according to the domestic market demand; the parts for repair, maintenance and assembly will be arranged according to the market share of imported products and domestic supplementary supplying capacity in different regions and sectors.

3) the import quota products needed for science and research, education and public welfare and other special or temporary need will enjoy priority arrangements provided by the Office at any time within the total amount of the quota programme.

4) The allocation of some import quota products will take the form of tender, the specific rules will be formulated separately.

Article 6. Within the quota targets of the State, an importer shall fill in the application forms in duplicate for each individual case of import requirement for the machinery and electronic products (see Annex III) together with the relevant documents and descriptions (including the usage of import quota, feasibility study on the projects) to the local or regional agencies of the Office, which will transfer all the documents to the Office for approval. The certificate of import quota will be issued by the State Office (see Annex IV).

An importer may apply for the import license to the license office or the special commissioner’s office of the MOFTEC with the certificate of import quota issued by the Office. FTCs are entitled to place orders from foreign
countries with the certificate. The foreign exchange offices and banks at all levels grant exchange in accordance with the certificate of import quota and import license, and the customs offices release the goods on the strength of the import license issued by the license office or the various special commissioner’s office of the MOFTEC.

Article 7. Quota products imported as an integral supplementary part of the principal machines but in separate contracts or goods delivered separately for customs clearance, are subject to these Rules.

Article 8. If the total import value of a set of parts under the quota control are equivalent to or above 60% of the value of the full set machinery of the same type, it should be treated as full set machinery and be subject to these Rules.

Article 9. Quota products donated by Overseas Chinese and Taiwan, HongKong and Macau compatriots are subject to the relevant regulations of the State Council.

Article 10. Quota products imported by foreign investment enterprises (FIEs) for their own use are subject to the relevant regulations of the State Council.

Quota products imported by FIEs for the production of domestically-sold goods are subject to the Rules.

Article 11. Quota products imported for their own use by the Overseas Chinese, HongKong, Taiwan and Macau Compatriots investment enterprises are subject to Provisions of the State Council Concerning the Encouragement of Investments by Overseas Chinese and Compatriots from Hong Kong and Macao (Promulgated by Decree No. 64 of the State Council) and Circular of the State Council on Certain Issues Concerning the Implementation of Provisions of the Encouragement of Investments by Compatriots from Taiwan.

Quota products imported by Overseas Chinese, Hong Kong, Taiwan and Macau Compatriots investment enterprises for the production of domestically-sold goods are subject to the Rules.

Article 12. Products subject to import quota under donated projects by international organizations are subject to the Measures for the Import of Machinery and Electronic Products under Donated Projects.

Article 13. Quota Products imported under compensation and leasing trade are subject to these Rules.
Article 14. Quota products imported for outward processing using supplied materials and imported materials are subject to these Rules.

Article 15. Quota products donated in the course of economic and trade exchange or purchased by Chinese organizations abroad or at construction sites abroad which are required to be transported back are subject to these Rules.

Article 16. In the third quarter of each year, the Office reviews the performance of the current year import quota programme and may, where appropriate, prefix the import quota for the following year in the light of internal demand.

Article 17. The importer must go through the necessary formalities at the original agency if he needs to modify the specifications, quantity and value (the actually needed foreign exchange exceeds 10% or more) or the port of destination.

Article 18. The certificate remain valid for 6 months, and will expire beyond this time period. If an importer does not apply for a license and enters into a contract with foreigners within the validity for reasonable causes, he can apply to the original agency for extension of 3 months, but no second extension will be allowed.

Article 19. In accordance with the needs of national economic development and bilateral and international agreements, the Office shall each year consult relevant departments and draw up amendments to the list of products subject to quota control and such amendments shall be published and come into effect after approval by the State Council.

Article 20. The Office shall be responsible for the interpretation of these Rules.

Article 21. These Rules shall enter into force from January 1, 1994.
Product List Subject to Article 17

Cotton (handled by China National Textile Imp. & Exp. Co.)
52010000 cotton, not carded or combed
52030000 cotton, carded or combed

Cereals (handled by China National Food, Oils and cereals Imp. & Exp. Co.)
10011000 durum wheat
10019000 other
10059000 maize, other than seed
10061000 rice in the husk (paddy or rough)
10062000 husked (brown) rice
10063000 semi-milled or wholly milled rice, whether or not polished or glazed
10064000 broken rice

Tobacco and Tobacco Products (handled by China National Tobacco Imp. & Exp. Co.)
24011010 flue-cured tobacco, not stemmed/stripped
24011090 other
24012010 flue-cured tobacco, partly or wholly stemmed/stripped
24012090 other
24013000 tobacco refuse
24021000 cigars, cheroots and cigarillos, containing tobacco
24022000 cigarettes containing tobacco
24029000 other
24031000 smoking tobacco, whether or not containing tobacco substitutes in any proportion
24039100 "homogenised" or "reconstituted" tobacco