

## **Administration Measures On Goods Import License**

### Chapter I General Principles

Article 1 For the purposes of regulating the administration of import License, safeguarding the order of goods import, promoting the healthy development of foreign trade, the said measures are formulated in accordance with Foreign Trade Law of the People's Republic of China and Management Regulations of Goods Import and Export of the People's Republic of China.

Article 2 The state carries out uniform administration of goods import license system. The state implements the administration of import license for import limited goods.

Article 3 Ministry of Commerce is a relevant department of administering import license in the country, responsible for formulating administration measures and regulations of import license, supervising and examining the implementation of administration measures on import license, punishing illegal activities.

Ministry of Commerce formulates, readjusts and promulgates annual Catalogue of Goods Subject to Import License Administration together with General Administration of Customs. Ministry of Commerce is responsible for formulating, readjusting and promulgating annual License-Issuing Catalogue in Grades of Import License Administration.

Catalogue of Goods Subject to Import License Administration and License-Issuing Catalogue in Grades of Import License Administration are published by Ministry of Commerce in the form of announcement.

Article 4 Ministry of Commerce authorizes Bureau of Quota License (hereinafter referred to as "License Bureau") to execute uniform administration, guide all license-issuing organs all over the country to issue import license. License Bureau is accountable to Ministry of Commerce.

Article 5 License Bureau, commissioner offices of Ministry of Commerce to local areas (hereinafter referred to as "local commissioner offices") and commercial departments (bureau), foreign economic and trade commission (departments, bureau) of all provinces, autonomous regions, municipalities under the Central Government, cities specifically designated in the state plan and other provincial capital cities authorized by Ministry of Commerce (hereinafter referred to as "all local license-issuing organs") are import license issuing organs. They are responsible for license issuing within the scope of authority under uniform administration of License Bureau.

Article 6 Import License is a legal certificate of national administration of goods import. Foreign trade managers (hereinafter referred to as "managers") should apply for import license to appointed license-issuing organ before importing the goods subject to Import License Administration except that the state has other regulations. The customs accepts and grants the declaration by import license.

Article 7 Import license apply to the import of the goods in Catalogue of Goods Subject to Import License Administration.

Article 8 Import license must not be bought, sold, transferred, altered and forged.

Chapter II The materials that should be submitted for applying for import license

Article 9 Managers should fill in application form for import license carefully according to the facts and affix a seal when they apply for import license.

Article 10 Managers should submit import approval documents and related materials stipulated by basis of import license issuing in Article 3 of these measures to license-issuing organs according to goods import conditions.

Article 11 Managers should submit Business License of Corporations Registration that passed annual examination and Record Registration Form of Foreign Trade Managers affixed a special seal for record registration of foreign trade managers or qualifications of import and export enterprises. If the managers are foreign invested enterprises, they should also submit the approval certificate of foreign invested enterprises. If the imported goods belong to state owned trade or other requirements of qualification management, related documents of Ministry of Commerce or the departments concerned should be submitted.

### Article III Basis of Issuing Import License

Article 12 All license-issuing organs should issue import license in accordance with the scope of Catalogue of Goods Subject to Import License Administration and License-Issuing Catalogue in Grades of Import License Administration formulated by Ministry of Commerce, and following provisions:

1. To supervised and controlled chemical products, license-issuing organs issue import license by Import Verification List of Supervised and Controlled Chemical Products approved by leading group office of national implementation of the treaty of forbidding chemical weapons and import contract (copy of reserved copy).

2. To chemical products that are easy to produce poison, license-issuing organs issue import license by Import Comments Paper of Chemical Products that are Easy to Produce Poison of Ministry of Commerce.

3. To ozone layer depleting substance, license-issuing organs issue import license by Import Approval Paper of Controlled Ozone Layer Depleting Substance approved by State Import and Export Office of Ozone Layer Depleting Substance.

4. To other goods that the import of them needs to be controlled in accordance with laws and administrative regulations, license-issuing organs issue import license or issue it together with the permission documents issued by other related administrations of the State Council.

Article 13 If supervised and controlled chemical products, chemical products that are easy to produce poison and ozone layer depleting substance in the form of processing trade need import license, license-issuing organs handle it in accordance with Section 1, 2 and 3 of Article 12 separately.

Article 14 If foreign invested enterprises need to obtain import license for import of supervised and controlled chemical products, chemical products that are easy to produce poison and ozone layer depleting substance, license issuing organs handle it in accordance with Section 1,2 and 3 of Article 12 separately.

Article 15 Managers should make applications according to the facts in accordance with the said measures, must not practice fraud when they apply for import license. They are forbidden to obtain import license by cheating with false documents and contracts.

## Article IV Issuing of Import License

Article 16 License issuing organs should issue import license for related goods strictly in accordance with annual Catalogue of Goods Subject to Import License Administration and License Issuing Catalogue in Grades of Goods Subject to Import License Administration published by Ministry of Commerce. Managers must obtain import license in license-issuing organs assigned in License Issuing Catalogue in Grades of Goods Subject to Import License Administration.

Article 17 All license-issuing organs should issue import license by license issuing basis in Chapter III of these measures, must not exceed their powers to issue import license or issue it beyond the scope of license issuing.

Article 18 Import license is managed in the form of “one license one customs”. Normally, import license is “one lot one license”. If “Non one lot one license” is implemented, the word of “Non one lot one license” should be printed in the remarks column of import license.

“One license one customs” means import license can only be declared at one customs. “One lot one license” means import license can only be declared at customs once within term of validity. “Non one lot one license” means import license may be declared at customs many times within term of validity, but no more than 12 times. The customs writes comments on import quantity and cut them lot by lot on the backside of the Comments Column of Customs Declaration.

To large, bulk goods subject to import license administration, overfilled quantity is handled in accordance with international trade practice. That is overfilled quantity of imported large, bulk goods must not exceed 5 per cent of the import quantity listed in import license. To large, bulk goods that are not subject to the administration of “one lot one license, the quantity is cut according to actual quantity of import when a lot of goods is imported. When the last lot of goods is imported, the overfilled quantity is calculated in accordance with actual left quantity and 5 per cent of stipulated upper limit of overfilling.

When issuing the license for such imported goods, license-issuing organs should act strictly in accordance with the import quota and the quantity approved in the approval documents, and cut the quantity in accordance with the quantity actually issued in the license, instead of issuing license by adding overfilled quantity approved by international trade practice on the basis of import quota or the quantity approved in the document.

Article 19 If the application meets the requirements, license-issuing organs should distribute import license within 3 working days as of the receipt of the application. They will do it in no more than 10 working days in case of special cases.

## Chapter V Term of Validity of Import License

Article 20 Term of validity of import license is one year.

1. Import license should be issued in the term of validity stipulated in the approval documents of import administrations.
2. Import license is effective in the current year. If it needs to be used beyond the year in case of special cases, the term of validity must not exceed March 31 of next year.
3. Import license should be used within the term of validity. If it exceeds the time limit, it will lose efficacy automatically, and the customs will not grant clearance.

Article 21 If import license is not used within term of validity for reasons, managers should

make an extension application to license-issuing organs within term of validity. License-issuing organs should recall the original license and issue a new one, indicate clearly the extension and the number of the old one in the remarks column after canceling the old one in computer management system of import license.

If import license is not used up in term of validity for reasons, managers should make an extension application to original license-issuing organs for the parts that have not been used. License-issuing organs issue a new license after recalling the original one and canceling it in license-issuing system, and cutting the quantity that has been used and identifying clearly the extension and the number of the original license in the remarks column.

Import license is only allowed to extend once and the extension is no more than 3 months.

Whoever does not make an extension application within the term of validity, import license loses its efficacy automatically. License-issuing organs will not handle extension formalities. It is regarded that the license holder gives up the import license.

Article 22 Import license could not be altered without authorization once it is issued. If it needs to be altered, managers should make an application for alternation within term of validity and hand back the license to original license-issuing organs. A new license will be issued by original license-issuing organ.

If there are any changes relating to managers, tax number of imported goods, quantity, sum of money, price, place of origin, purpose of import, source of foreign exchange, method of conducting trade, port of making a customs declaration, and if original license-issuing organs have corresponding restrictions, managers should provide the documents of agreeing with the changes of original license-issuing.

Article 23 If the obtained import license is lost, the managers should report in writing at once the loss of it and declare invalid to the customs of import port and related license-issuing organs identified in the license, and report in time the case to the public security administrations. License-issuing organs may cancel the original license and issue a new one at the receipt of the loss report after verifying that the lost license has not been used for customs clearance.

Article 24 If the customs, the administrations of industrial and commercial, public security, inspection discipline need to check or investigate import license, they should provide related certificates, and license-issuing organs should accept the check.

Article 25 When the goods subject to import license administration are readjusted their license-issuing organs, original license-issuing organs must not issue import license for the goods as of the readjustment and report the managers' obtaining conditions before the readjustment to license-issuing organs after the readjustment. The license obtained by managers before the readjustment is still effective in term of validity. Import license that has not been used or has not been used up may be handled extension formalities in the license-issuing organs after the readjustment in accordance with regulations.

## Chapter 6 Examination and Punishment

Article 26 Ministry of Commerce authorizes License Bureau to make examination to all license-issuing organs regularly, examining the implementation of the said measures. Focal point of the examination is whether license-issuing organs have the activities of exceeding their power or issuing license without permission. The examination will be carried out in the form of self-

examination by license-issuing organs regularly or irregularly and compared with the selective examination by License Bureau. License Bureau should report the result of the examination to Ministry of Commerce.

Article 27 All license-issuing organs should transfer the data of license issuing in time in accordance with the regulations of license network examination of Ministry of Commerce for the purposes of assuring the managers to declare at the customs and be examined by the customs smoothly. They should verify carefully the feedback data of the customs, check in time the usage of license and find out existent problems. License Bureau should report the verified feedback examination data of the customs to Ministry of Commerce regularly.

Article 28 Import license issued by exceeding one's powers and levels or without effective approval documents are invalid. Ministry of Commerce will give the license-issuing organs that act against the regulations a disciplinary warning, suspend or cancel their rights of issuing license in the light of circumstances.

Article 29 If any one obtains Import License by cheating or other illegal ways, his import license will be collected in accordance with laws. Ministry of Commerce may not accept his application for import license or prohibit him to do the business relating goods import in more than one year and less than three years.

Article 30 Whoever fakes, alters, buys or sells import license will be ascertained criminal responsibility in accordance with the regulations of criminal law about faking, altering, buying, selling document, certificate and seal. Whoever does not need to be given criminal punishment will be punished in accordance with related provisions of Customs Law. Ministry of Commerce may prohibits illegal persons to do business relating to goods import within the term of more than one year and less than three years.

Article 31 Ministry of Commerce will collect and cancel the import license referred to in Article 28, 29 and 30 as soon as it is verified to be true. To the problems relating to above license found by the customs during actual supervision or case handling, license-issuing organs should give a clear reply and effective cooperation.

Article 32 If the staffs of license-issuing organs act contrary to the regulations but have not committed a crime, they will be transferred from their posts and given administrative disciplinary measures according to the circumstances. Whoever commits a crime will be transferred to judicial organs and ascertained criminal responsibility.

## Chapter VII Supplementary Articles

Article 33 If there are other stipulations in laws and administrative regulations to the management of goods import in bonded warehouse, bonded regions and export processing areas, it will be handled in accordance with those stipulations.

Article 34 The interpretation of the said measures shall be vested in Ministry of Commerce.

Article 35 The said measures come into effect as of January 1, 2005. Management Rules of Goods Import License (MOFTEC Decree No. 22, 2001) distributed by former Ministry of Foreign Trade and Economic Cooperation are abolished at the same time.