

China - Regulations Concerning the Examination and Approval of International Freight Forwarding Agencies With Foreign Investment, 1996

MOFTEC

copy @ lexmercatoria.org

Copyright © 1996 MOFTEC

Contents

Regulations Concerning the Examination and Approval of International Freight Forwarding Agencies With Foreign Investment
(Promulgated by the Ministry of Foreign Trade and Economic Cooperation on September 9, 1996) **1**

Article 1 1

Article 2 1

Article 3 1

Article 4 1

Article 5 1

Article 6 2

Article 7 2

Article 8 2

Article 9 2

Article 10 2

Article 11 2

Article 12 3

Article 13 3

Article 14 3

Article 15 3

Metadata **5**

 SiSU Metadata, document information 5

1 **Regulations Concerning the Examination and Approval**
2 **of International Freight Forwarding Agencies With**
3 **Foreign Investment**
4 **(Promulgated by the Ministry of Foreign Trade and**
5 **Economic Cooperation on September 9, 1996)**

6 **Article 1**

7 For the purpose of standardizing the examination and approval of
8 international freight forwarding agencies with foreign investment,
9 these regulations are formulated in accordance with the State's
10 relevant laws and rules concerning foreign-funded enterprises and
11 the Regulations of the People's Republic of China on Management
12 of International Freight Forwarders.

13 **Article 2**

14 All references in these regulations to international freight forward-
15 ing agencies with foreign investment refer to the foreign-funded en-
16 terprises in the form of a Sino-foreign equity joint venture or con-
17 tractual joint venture which conduct international freight forwarding
18 and related businesses entrusted by consignors and consignees of
19 export and import goods in the name of principals or in their own
20 names and collect remuneration for their services.

21 **Article 3**

22 The Ministry of Foreign Trade and Economic Cooperation of the
23 People's Republic of China (hereinafter referred to as MOFTEC)
24 is the competent authority in charge of the examination, approval
25 and administration of international freight forwarding agencies with
26 foreign investment.

27 **Article 4**

28 Foreign companies and enterprises are permitted to participate in
29 the establishment of an international freight forwarding agency with
30 foreign investment in the form of an equity joint venture or contrac-
31 tual joint venture within the territory of China, in which the Chinese
32 partners' investment shall not be less than 50% of the total invest-
33 ment.

34 **Article 5**

35 Apart from meeting the conditions set out in the Regulations of the
36 People's Republic of China on Management of International Freight
37 Forwarders, the Chinese and foreign investors applying for the es-
38 tablishment of an international freight forwarding agency with for-
39 eign investment shall also comply with the conditions of the State's
40 relevant laws and rules on enterprises with foreign investment and
41 the following requirements:

- 42 1. At least one of the Chinese partners is an international freight for-
43 warding agency or a foreign trade enterprise with an annual import
44 and export volume of more than US\$ 50 million, which holds the
45 majority of the capital invested by all the Chinese partners; foreign
46 partners shall be international freight forwarding agencies;
- 47 2. The Chinese and foreign partners shall have been engaged in
48 the operation of international freight forwarding business or foreign
49 trade for at least 3 years and have administrative and professional
50 staff suitable for the business applied for, a stable source of goods
51 for import and export and a network of agents;
- 52 3. None of the Chinese and foreign partners shall have acted in
53 violation of the regulations concerning the industry administration
54 and received punishment for that sake 3 years before the date the
55 application is submitted.

15 **Article 6**

16 Shipping carriers, air carriers and other enterprises which may
bring forth the unfair competition with international freight forward-
ing agencies shall not be allowed to participate as partners in the
establishment of an international freight forwarding agency.

17 **Article 7**

18 A foreign partner who has invested in an international freight for-
warding agency within the Chinese territory with the time of its op-
eration less than 5 years shall not be permitted to invest in the
establishment of another one of the same nature in China.

19 **Article 8**

20 The minimum registered capital requirement for an international
freight forwarding agency with foreign investment shall be US\$ 1
million.

21 **Article 9**

22 If approved, an international freight forwarding agency with foreign
investment may deal in part or all of the following businesses:

- 23 1. To book ship's holds and warehouses;
- 24 2. Supervision of freight loading and unloading and assembling
and dismantling of containers;
- 25 3. International express delivery excluding private letters;
- 26 4. To go formalities of customs declaration, quarantine, inspection
and insurance;

- 27 5. To prepare related bills and certificates, pay transport charges,
settle accounts and pay miscellaneous fees;
6. Other businesses of international freight forwarding. 28

Article 10 29

30 The application for the establishment of an international freight for-
warding agency with foreign investment shall, in accordance with
the procedures set out in the State's relevant laws and rules con-
cerning foreign investment, be submitted by the Chinese partners
to the departments of foreign trade and economic cooperation of
various provinces, autonomous regions and municipalities directly
under the Central Government as well as cities separately listed on
the State's budgetary plan where the agency is to be located (for
joint examination of departments of foreign investment administra-
tion and departments of storage and transportation administration),
and if approved by the local departments, it should be submitted to
MOFTEC for examination and approval.

31 In accordance with the State's relevant laws and rules concern-
ing foreign investment, MOFTEC shall decide on approval or dis-
approval within a stipulated period, and shall issue a Ratification
Certificate of Enterprise with Foreign Investment and a Ratifica-
tion Certificate of International Freight Forwarding Agency to the
approved one.

32 With the two certificates of ratification issued by MOFTEC, the
Chinese partners shall perform the procedures of enterprise reg-
istration with the industrial and commercial administrative depart-
ments.

Article 11 33

34 An international freight forwarding agency with foreign investment

shall not be operated for more than 20 years.

Article 12

An international freight forwarding agency with foreign investment may, after one year of formal operation and fulfilling the relevant capital requirements, apply for the establishment of branches in other areas of China.

An international freight forwarding agency with foreign investment shall increase its registered capital by US\$ 120,000 for each branch to be established. The business scope of the branches shall not exceed that of the international freight forwarding agencies with foreign investment, and the head office shall bear the joint liabilities.

The application for the establishment of branches shall be first submitted to the local department of foreign trade and economic cooperation where the agency is located for examination, and then to the departments of foreign trade and economic cooperation where the branches are to be located for suggestions, and, if approved by those local foreign trade and economic cooperation departments, submitted to MOFTEC which shall undergo examination and make decisions on approval or disapproval in light of the needs of the development in international freight forwarding business.

To establish branches, an international freight forwarding agency with foreign investment shall submit the following documents:

1. Reports of the foreign trade and economic cooperation department where the agency is situated and letters of suggestion of the foreign trade and economic cooperation departments where the branches are to be situated;
2. Resolution of the board of directors of the agency on estab-

lishing international freight forwarding branches and increasing the registered capital;

3. The agreement to amend the contracts and articles of association of the joint venture for the sake of the matters relating to the increase of registered capital;

4. Business operation reports, reasons for establishing branches and feasibility studies;

5. Credit reports;

6. Other documents;

Article 13

These regulations are applicable to the international freight forwarding agencies set up in the Chinese mainland by companies and enterprises from Hong Kong, Macao and Taiwan regions.

Article 14

When the international freight forwarding agencies with foreign investment established before the promulgation of these regulations apply for the expansion of their business scope, the establishment of branches and the extension of time limit of the joint venture, they shall comply with the requirements concerning the registered capital set out in these regulations.

Article 15

These regulations shall come into force as of the date of their promulgation. The effect of the Measures Concerning the Examination

and Approval of International Freight Forwarding Agencies with foreign Investment promulgated on February 22, 1995 by MOFTEC shall become null at the same time.

Metadata

SiSU Metadata, document information

Document Manifest @:

http://www.jus.uio.no/lm/china.examination.and.approval.of.international.freight.forwarding.agencies.with.foreign.investment.regulations.1996/sisu_manifest.html

Title: China - Regulations Concerning the Examination and Approval of International Freight Forwarding Agencies With Foreign Investment, 1996

Creator: MOFTEC

Rights: Copyright (C) 1996 MOFTEC

Publisher: SiSU <http://www.jus.uio.no/sisu> (this copy)

Date: 1996-09-09

Topics Registered: statute:China;freight forwarding:China;agency law:China

Version Information

Sourcefile: china.examination.and.approval.of.international.freight.forwarding.-agencies.with.foreign.investment.regulations.1996.sst

Filetype: SiSU text 2.0

Source Digest: SHA256(china.examination.and.approval.of.international.freight.-forwarding.agencies.with.foreign.investment.regulations.1996.sst)=886996fa-3a8e90a5262bec2b7f769e0f814f8992ac3dcc79552a50d8e6dfc92d

Skin Digest: SHA256(skin_lm.rb)=5acda64a9532f9ef6b71693da2b471d4efac2f23-a8499e68de066eec8ea9b8e9

Generated

Document (dal) last generated: Tue Sep 21 16:13:25 -0400 2010

Generated by: SiSU 2.6.3 of 2010w30/3 (2010-07-28)

Ruby version: ruby 1.8.7 (2010-08-16 patchlevel 302) [i486-linux]