

Notice of the Comprehensive Department of the State Administration of Foreign Exchange on Issues Concerning the Collection and Settlement of Foreign Exchange upon the Strength of Paper Export Declaration Forms (No.118 [2008] of the Comprehensive Department of the SAFE, July 18, 2008)

Since the promulgation of the Notice of the SAFE on Implementing the Measures for the On-line Inspection of the Collection and Settlement of Foreign Exchange in Export (No.31 [2008]) (hereinafter referred to as Notice), some enterprises have complained about the inaccuracy of the initial data about the collectible amount of foreign exchange in export in the inspection system. To guarantee that this problem does not keep enterprises from normally handling the collection and settlement of foreign exchange in export, we hereby notify the relevant issues as follows:

I. Where an enterprise did export during the period from January 1, 2008 to June 30, 2008 and is scheduled to collect foreign exchange after July 14, 2008, but the inspection system says that its collectible amount of foreign exchange under the item "Other Trade" is zero or insufficient, the enterprise may, before September 30, 2008, directly settle or transfer out the foreign exchange in the to-be-inspected account at a bank upon the strength of the letter of authenticity commitment (see Annex for the format, which enterprises may use as a reference), the original export declaration form bearing the verification seal of the customs and a photocopy thereof bearing the seal of the enterprise.

II. Where an enterprise settles or transfers out the foreign exchange in the to-be-inspected account at a bank upon the strength of the export declaration form dated between January 1, 2008 and June 30, 2008, the bank shall logon the inspection system and inquire about the enterprise's collectible amount of foreign exchange under the item "other trade." If the collectible amount is less than the amount to be settled or drawn out, the bank shall write off the collectible amount in the inspection system, and for the insufficient part, handle the relevant formalities for the enterprise after examining the documents submitted by the enterprise, register the collection on the original export declaration form and affix the official seal thereon, and keep the letter of authenticity commitment and the photocopy of the export declaration form for future reference.

III. No enterprise may forge, alter or borrow any export declaration form to handle the collection and settlement of foreign exchange in export, or use an export declaration form, under which the foreign exchange have been collected or offset by imported materials, to collect foreign exchange in export.

IV. The bank shall archive the letter of authenticity commitment and the photocopy of the export declaration form at another place and file them with the foreign exchange bureau of the place of its locality before October 10, 2008. Each foreign exchange bureau or sub-bureau shall review the situation about enterprises' collection of foreign exchange in export upon the strength of paper-form documents, and, if finding any enterprise repeatedly use an export declaration form, under which the foreign currencies for export have been collected or the foreign currencies are offset by the imported materials, to collect foreign exchange, or to settle or transfer out the foreign exchange in the to-be-inspected account, it shall deduct the settled or transferred amount from the corresponding collectible amount of foreign exchange in export and punish the enterprise in question in accordance with the Regulation of the People's Republic of China on Foreign Exchange Control and other relevant provisions.

Each bureau shall, after receiving this Notice, forward it to all central sub-bureaus, sub-bureaus, foreign-funded banks, local commercial banks and other relevant entities within your jurisdiction as soon as possible. All Chinese-funded designated foreign exchange banks shall, after receiving this Notice, forward it to all your branches as soon as possible. If you encounter any problem in implementation, don't hesitate to feed it back to the SAFE.

Annex: Letter of Commitment (Omitted)