

Notice of the Comprehensive Department of the State Administration of Foreign Exchange on the Official Operation of the On-line Inspection System of the Collection and Settlement of Foreign Exchange in Export (No.128 [2008] of the State Administration of Foreign Exchange)

The branches and foreign exchange administrative departments of the State Administration of Foreign Exchange in all provinces, autonomous regions and municipalities directly under the Central Government; the branches in Shenzhen, Dalian, Qingdao, Xiamen and Ningbo; and all Chinese-funded designated foreign exchange banks:

Since the implementation of the policy of on-line inspection of the collection and settlement of foreign exchange in export on July 14, 2008, the on-line inspection system of the collection and settlement of foreign exchange in export (hereinafter referred to as the “inspection system”) has been working normally in the trial operations, and has basically attained to the objectives of the on-line inspection policy. During the trial operations of the inspection system, the SAFE followed up the implementation of the policy, made more efforts in business guidance and policy interpretation, and issued documents to clarify the common problems encountered in implementation. All local foreign exchange departments have seriously organized the implementation of the policy in accordance with the SAFE requirements and made great efforts in policy interpretation and operating instruction, which have effectively guaranteed the smooth implementation of the policy. On August 4, 2008, the inspection system is put into official operation. We hereby further clarify the relevant issues as follows:

I. Banks shall conduct on-line inspections on the electronic data relevant to the foreign exchange collected by enterprises in export under the relevant provisions of the Notice of the State Administration of Foreign Exchange, the Ministry of Commerce and the General Administration of Customs on Printing and Distributing the Measures for the On-line Inspection on the Collection and Settlement of Foreign Exchange in Export (No.29 [2008] of the SAFE), the Notice of the State Administration of Foreign Exchange on Issues Concerning the Implementation of Registration of Foreign Debts in the Trade of Goods by Enterprises (No.30 [2008] of the SAFE) and the Notice of the State Administration of Foreign Exchange on Issues Concerning the Implementation of the Measures for the On-line Inspection on the Collection and Settlement of Foreign Exchange in Export (No.31 [2008] of the SAFE).

II. No enterprise may forge, alter or borrow any export declaration form for the collection and settlement of foreign exchange, or repeatedly use an export declaration form for the collection and settlement of foreign exchange, under which the foreign exchange has been collected or the foreign exchange has been offset by imported materials.

III. All branches shall continue strengthening the guidance to all central sub-branches and sub-branches within your respective jurisdictions, do a good job in the supervision and inspection of the implementation of the policy by all banks and enterprises within your respective jurisdictions, and make great efforts in publicity, interpretation and policy guidance so as to facilitate the work of banks and enterprises.

All branches shall forward this Notice to all central sub-branches, sub-branches, foreign-funded banks, local commercial banks and other relevant entities within your respective jurisdictions as soon as possible after receiving this Notice. If you encounter any problem in the course of implementation, please feed it back to the SAFE in a timely manner.

August 4, 2008