

Notice of the Comprehensive Department of the State Administration of Foreign Exchange concerning the Relevant Issues of Implementing On-line Inspection when the Exporter Is Not Identical with the Foreign Exchange Collector

(No.122 [2008] of the Comprehensive Department of the State Administration of Foreign Exchange)

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

To eliminate the bank's difficulty in carrying out on-line inspection on the corresponding proceeds when the exporter is not identical with the collector of foreign exchange as a result of exclusive sale of commodity or approved relationship between parent and branch (subsidiary) companies, in accordance with the relevant provisions of the Notice of the State Administration of Foreign Exchange on Implementing the Measures for the On-line Inspection of the Collection and Settlement of Foreign Exchange in Export (No.31 [2008] of the State Administration of Foreign Exchange, hereinafter referred to as Document No. 31), we hereby notify the relevant matters as follows:

I. Before December 31, 2008, where the collector of foreign exchange is not identical with the export as a result of exclusive sale of commodity or approved relationship between parent and branch (subsidiary) companies, the collector may file a written application with the administration of foreign exchange of the place where it located, and provide the export contracts or agreements and other relevant certification materials as well as the copies thereof. Upon approval of the administration of foreign exchange, the collector may, by presenting the Note for Collection of Foreign Currencies in Export, the operator IC card of the exporter and the approval documents of the administration of foreign exchange, handle the foreign exchange settlement or transfer out the funds in the to-be-inspected account with the bank. The bank shall, in pursuance of the provisions of the Measures for the On-line Inspection of the Collection and Settlement of Foreign Exchange in Export, handle the relevant on-line inspection of the collection and settlement of foreign exchange for the collector within the extent of the receivable amount of foreign currency corresponding to the export of the exporter.

After handling the above formalities of approval, the administration of foreign exchange shall keep the written application and the copies of the relevant certification materials provided by the collector for future reference.

II. Since January 1, 2009, the export business of the exclusive sale of commodity or the relationship between parent and branch (subsidiary) companies shall be handled in accordance with the Measures for the On-line Inspection of the Collection and Settlement of Foreign Exchange in Export and the relevant provisions of Document No. 31, namely, the exporter, the collector and the entity to be inspected on-line shall be the same.

Where an export contract has been concluded before or on the date of promulgation of the Notice, stipulating the collection of the foreign exchange after January 1, 2009, it may be handled by reference to the provision of Article I of the Notice.

Where an export contract has been concluded after the date of promulgation of the Notice, it shall be handled according to the provision thereof.

III. An enterprise which is approved by the administration of foreign exchange to implement the centralized collection and settlement of foreign exchange shall be governed by the Notice.

VI. Where the collector is not identical with the exporter as a result of the collecting entity's merger and split, it may be handled by reference to the provision of Article I of the Notice.

All branches and foreign exchange administrative departments of the State Administration of Foreign Exchange

shall forward the present Notice to the central branches, sub-branches, foreign-funded banks, regional commercial banks and the relevant banks as soon as possible after receiving this Notice. All Chinese-funded foreign exchange designated banks shall, after receipt of the Notice, immediately forward it to the affiliated branches. If you encounter any problem in the course of implementation, please feed it back to the Current Account Management Department of the SAFE in a timely manner.

July 28, 2008