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FAIRS Subject Report

Registration of Overseas Cotton Exporters

2008

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Report Highlights:

On August 5, 2008, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) published Announcement (2008) No.87 on the Administrative Measures for Registration of Overseas Cotton Exporters. This report contains an UNOFFICIAL TRANSLATION of the Announcement.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Beijing [CH1]
[CH]

Executive Summary

On August 5, 2008, the General Administration of Quality Supervision, Inspection and Quarantine of People's Republic of China (AQSIQ) published (2008) Announcement No.87 on Administration Measures for the Registration of Overseas Cotton Exporters. The Announcement requested all overseas cotton exporters supplying cotton to mainland China file an application for registration beginning September 15, 2008. The application should be accompanied with relevant information about the exporters. According to AQSIQ, the registration is aimed at strengthening management and supervision of the inspection and quarantine of imported cotton, and to prevent fraudulent trade practices. The Announcement was notified to the World Trade Organization on February 20, 2008 (G/TBT/N/CHN/336).

Industry sources indicated that AQSIQ faced new challenges along with an increasing number of overseas cotton exporters to China in recent years. Some larger overseas cotton exporters expressed confidence in meeting the AQSIQ registration requirements. At this point, it is unclear how the registration system will impact cotton trade. AQSIQ hinted that more detailed implementation measures will be formulated in the near future. This report contains an UNOFFICIAL TRANSLATION of the announcement.

BEGIN TRANSLATION

General Administration of Quality Supervision, Inspection and Quarantine of People's Republic of China

Announcement on the Administration Measures for the Registration of Overseas Cotton Exporters
2008 No. 87

In order to strengthen the supervision and administration of the inspection and quarantine of imported cotton, prevent fraudulent trade practices such as the use of sub-standard imported cotton, adulteration, and ensure the quality of imported cotton, the General Administration of Quality Supervision, Inspection and Quarantine of P.R.C. (hereinafter referred to as AQSIQ) has decided to implement administrative measures for the registration of overseas exporters supplying cotton into mainland China (hereinafter referred to as overseas exporter) according to the provisions of the Law of the People's Republic of China on Import and Export Commodity Inspection and the regulations on its implementation. The relevant requirements are hereby notified as follows:

I. AQSIQ will begin accepting registration applications from overseas exporters as of September 15, 2008.

1. The registration application of overseas exporters must meet the following conditions:
 - (1) The overseas exporter must be a legal business enterprise in its country (region) of origin.
 - (2) It has a fixed place of business and reaches a certain business scale.
 - (3) It has relatively stable sources of supply and appropriate quality control measures for the goods it supplies.
 - (4) It is familiar with AQSIQ regulations and relevant requirements on the inspection and quarantine of imported cotton.
 - (5) In the previous year, the exporter's cotton trade activities had not undergone serious quality problems such as contamination by harmful substances or other records of problems that have resulted in serious consequences.

2. When submitting the registration application to AQSIQ, the overseas exporter should provide written materials in Chinese or in Chinese and English according to the relevant provisions (if an agent is commissioned, the power of attorney of the overseas exporter should also be provided):

- (1) The registration application of the overseas exporter.
- (2) Valid documentation of the legal commercial registration or copy.
- (3) A description of the basic production/operation materials and quality control plan.
- (4) Other relevant materials required by AQSIQ.

3. If all of the materials submitted meet the requirements after examination, AQSIQ will then accept the registration application and notify the overseas exporter.

If the applicant is required to provide additional materials, the applicant will be given a one-time notice to provide all additional materials within 5 working days. If the applicant fails to provide all additional materials within 20 workdays, the application is forfeited.

4. AQSIQ will organize an audit team to appraise the accepted application materials of the overseas exporters within a two-month period, and will organize the audit personnel to carry out a site inspection of the overseas exporter applying for registration when necessary. The site inspection includes processing capability, quality control and management, monitoring capability, packaging, and storage management, etc.

5. If all of the stipulated conditions are met after AQSIQ's examination process, registration will be permitted, a registration certificate will be granted and a public notice will be published regularly. If the conditions are not met after the examination, registration will not be permitted and a new application may be filed after a two-month period.

6. The registration certificate is valid for three years. The applicant shall submit an application for renewal of certificate and re-examination three months prior to the expiration date. If the registration materials of the overseas exporter changes within the date of validity, an additional application indicating the change should also be submitted.

7. If proven that the information contained in the application is not valid (true), registration will not be permitted. If registration has already been approved, then the registration will be immediately revoked.

II. Commencing March 15, 2009, the consignee should provide the registration certificate (copy) of the overseas exporter to the inspection and quarantine agency of the port of entry. The inspection of goods may be conducted at the destination point upon arrival.

When cotton from an unregistered overseas exporter is imported, the consignee should include a pre-shipping inspection clause in the contract. A pre-shipping inspection and quarantine will be conducted by AQSIQ or its designated inspection agency. At the time of arrival, the basic information of the overseas exporter and the declaration of the quality of goods should be provided. When the goods arrive at port, the inspection and quarantine agency will conduct site inspection by opening bales at the first port of arrival.

III. AQSIQ will implement a quality credit appraisal of overseas exporters. A quality credit appraisal of overseas exporters will be implemented based on the quality of arrived cotton and the contract performance records. A credit appraisal and supervision administration will be carried out according to the relevant provisions.

IV. The registration administration of cotton supply enterprises in Hong Kong, Macau, and the Taiwans will be carried out according to this Announcement.

August 5, 2008

Appendix:

Overseas Cotton Exporter
Registration Application Form

Form of Application ?First Application ?Change of Certificate and Reexamination
?Change of Registration ?Reapplication

Application No.

Name of the Enterprise

Country/Region of the Enterprise

Contact

Tel

Authorized Agent

Tel

Application Date____(year)____(month)____(day)

Made by the General Administration of Quality Supervision, Inspection and Quarantine of
P.R.C.

Name of the Enterprise			
Address of the Enterprise		Post Code	
Legal Representative		Tel/Fax	
No. of the Previous Registration Certificate		Expiration Date of the Previous Registration Certificate	
Certificate of	Issuing Organ		

Legality of the Enterprise	Registration No.		
	Effective Date		
	Business Scope		
Basic Information of the Overseas Supply Enterprise			
Scale of the Enterprise	Annual Volume of Cotton Business (ton)		
	Annual Volume of Cotton Export to China (ton)		
Information of the Quality Control System			
List of Chinese Cotton Laws and Regulations Learned			
Information of the Main Departments of the Supply Enterprise	Name of the Department	Responsibilities of the Department	Number of Employees

Information of the Supply Enterprise's Quality Control of Sources of Goods	Names of the Main Processing Enterprise	Place of Origin	Amount (ton)	Quality Control Mode (Provide Relevant Certificates)		
Additional information that should be Explained						
Information of the Supply Enterprise's Cotton Export to China						
Number of Years of Engagement in Cotton Export Business			Date of First Cotton Export to China			
Main Source of Cotton Supply			Main Cotton Shipping Port			
Information of Cotton Export to China for the Past Two Years	Year	Variety and Specifications	Volume of Export (ton)	Value of Goods (\$10,000)	Inspection and Quarantine Pass Rate (%)	Other

Declaration of the Applicant	<p>This enterprise applies for the registration of cotton-importing overseas supply enterprise and guarantees to abide by the provisions of the laws and regulations of the People’s Republic of China on exit-entry inspection and quarantine as well as technical regulations. The application materials provided are true and correct. This enterprise will cooperate with the General Administration of Quality Supervision, Inspection and Quarantine of P.R.C. and its authorized agencies in the appraisal, verification, examination, supervision administration, etc. of this enterprise.</p> <p>Materials attached hereto include: _____,</p> <p style="padding-left: 150px;">_____’</p> <p style="padding-left: 150px;">_____’</p> <p style="padding-left: 150px;">_____’</p> <p style="text-align: center;">Signature of the Legal Representative:</p> <p style="text-align: center;">(Seal of the Enterprise)</p> <p style="text-align: right;">(year) (month) (day)</p>					

Contact and address:

All documents for registration (original) should be submitted to the following address with a mark” For Cotton Registration” on the envelope: Division of Textile and Light Industry,

Department of Inspection Supervision, AQSIQ; No.9 Madian east road, Haidian Dist, Beijing, 100088, China
Tel: 86-10-82261922;
Fax:86-10-82260170;
Email: cotton@aqsiq.gov.cn

END OF TRANSLATION

Note: "Enterprise" and "overseas Cotton Exporters" for the purpose of this application are interchangeable terms.