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China, Peoples Republic of

FAIRS Product Specific

Implementation Measures of 2007 TRQ Allocations for Imported Sugar

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Report Highlights:

This is an UNOFFICIAL translation of the Implementation Measures of 2007 TRQ Allocations for Imported Sugar issued by the Chinese Ministry of Commerce on September 30, 2006. The TRQ volumes are identical to calendar year 2004, the final year of the WTO TRQ phase-in for sugar. Exporters should carefully discuss regulations and their application with importers to ensure their interpretation of the regulation is accurate.

Includes PSD Changes: No
Includes Trade Matrix: No
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Summary

The following is an UNOFFICIAL translation of the Implementation Measures of 2006 Tariff Rate Quota (TRQ) Allocation for Imported Sugar as issued by the Ministry of Commerce on September 30, 2006. According to its WTO Accession Agreement obligation, China had phased in import TRQ's for sugar during CY2004. The allocation measures and requirements in 2007 remain unchanged from those in 2006. The document also contains two appendixes: Application Form of Agricultural Product Import TRQ Certificate and HS Codes and Tariffs for Sugar Imports in 2007.

The publication of these TRQ amounts maintains the status quo for market access for sugar per China's obligations to the WTO.

BEGIN TRANSLATION

Implementation Measures of 2007 TRQ Allocation for Imported Sugar

In accordance with the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" (Decree No. 4 (2003) of the Ministry of Commerce and the National Development and Reform Commission), the 2007 TRQ amount, application requirements and allocation principles for imported sugar are announced as follows:

Section One

The 2007 TRQ amount for imported sugar shall be 1,945,000 metric tons with 70% designated for state trading firms.

Section Two

Fundamental requirements for applicants of sugar import TRQs include: applicants shall be registered with the State Industry and Commerce Management Authorities before October 1, 2006 and have passed the latest annual inspection by the industry and commerce authorities; applicants shall have no violation record with the Customs, Foreign Exchange, Industry and Commerce, Tax Bureau or Quarantine Authorities and sugar imports in 2004-2006; applicants shall have no record of violating the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota".

Under the aforementioned conditions, applicants for import TRQs shall conform to one of the following categories:

1. State-owned trading enterprises;
2. Central enterprises with state reserve functions;
3. Enterprises having a record of actual sugar imports in 2006;
4. Sugar producers with a daily raw sugar processing capacity of more than 600 metric tons (inclusive), a register capital of more than 10 million yuan (inclusive), and an annual sales value of more than 200 million yuan (inclusive);
5. Enterprises engaged in the processing trade, which use sugar as a raw material.

Section Three

TRQ applicants should provide the following documents:

1. Application report for agricultural import TRQs;
2. Application form for agricultural import TRQs;
3. Corporate business license (copy) that has passed the latest annual inspection by industry and commerce authorities;

4. Enterprise's 2005 annual audit report (copy) produced by a qualified accounting office or a "Registration Form of 2005 Annual Inspection for VAT General Tax Payer" (copy) submitted when receiving the 2005 annual examination of taxes.

Applicants with an actual import history only need to submit materials prescribed in Items 1-3; new applicants need to provide all the aforementioned materials. If a applying enterprise is established after 2005 and applying for the first time, it also needs to provide a reply letter of the competent authorities to the feasibility study report of the construction project (or reply letter to construction project proposal) and an inspection and acceptance report on the project.

Section Four

The basic principles for allocation of sugar import TRQs are: actual import history, production capacity, sales value, and other relevant industry criteria.

1. When the import TRQ amount can satisfy the eligible applicants' total requested quantities, TRQs will be allocated according to the applicants' requested quantities.
2. When the import TRQ amount cannot satisfy the eligible applicants' total requested quantities, priority shall be given to those who have an actual history of imports with TRQs being allocated proportionally on the basis of the previous year's allocation amount. Applicants without an actual history of imports will be allocated proportionally based primarily on their processing capacity and sales value. In case requested quantities are lower than the proportionally allocated quantities, the requested quantities will apply.

Section Five

The application period for 2007 sugar import TRQs shall be from October 15 to 30, 2006. Applicants shall submit their applications to Ministry of Commerce authorized agencies under the jurisdiction of where the industry and commerce registration took place. TRQ applicants may obtain an Application Form of Agricultural Product Import TRQ (see appendix A) from the Ministry of Commerce authorized agencies or download a copy from the Ministry's web site (<http://www.mofcom.gov.cn>).

Section Six

The Ministry of Commerce authorized agencies are responsible for handling enterprise applications within their jurisdiction and submitting the eligible applications to the Ministry of Commerce, and copy to the National Development and Reform Commission, before 30 November 2006.

Section Seven

The Ministry of Commerce will issue an Agricultural Product Import TRQ Certificate, through authorized agencies, to the end-user before January 1, 2007.

Appendix: A**Application Form of Agricultural Product Import TRQ**

Stamp of Applicant Organization:

Signature of Applicant's Legal Representative:

Name of enterprise:			
Import commodity:	With import record of general trade in 2006	With import record of processing trade in 2006	Without import record in 2006
General trade	Application amount:	Processing trade	Application amount:
	Declaration port 1) 2)		Declaration port: 1) 2)
Registered address:			
Registered capital:	Industry & commerce registration number:		Telephone:
Nature of enterprise:	State-owned Share-holding Private Foreign-invested		
Type of enterprise:	Manufacturing enterprise Trading enterprise		
The following is to be completed by manufacturing enterprises:			
Products and production capacity in 2006	Name of product:		Name of imported ag product needed:
	Daily production (MT):		Daily demand (MT):
	Annual production (MT):		Annual demand (MT):
	Annual sales value (10,000 RMB):		
The following is to be completed by processing trade enterprises with actual import record:			
Processing trade TRQs in 2005	Allocated TRQs (MT):	Processing trade TRQs in 2006	Allocated TRQs (MT):
	Actual imports (MT):		Imported amount (MT):
The following is to be completed by general trade enterprises with actual import record (not including agents):			
General trade TRQs in 2005	Allocated amount (MT):	General trade TRQs in 2006	Allocated amount (MT):
	Actual imported amount (MT):		Actual imported amount (MT):
	Returned amount (MT):		Returned amount (MT):
Whether agree to reveal information about enterprise and TRQ allocation amount to the public: yes no			
Verification comments completed by authorized agency:			

Notes:

1. "Products and production capacity in 2006" refers to products produced from requested import agricultural products and production capacity. 2. "Daily and Annual Production" and "Daily and Annual Demand" refer to enterprise daily, annual production in 2006, and daily, annual demand for imported sugar.

Appendix B
HS Codes and Tariffs for Sugar Imports in 2007

HS Code	Commodity	Tariff		
		Out quota		In quota
		MFN	General	
17011100	Raw cane sugar, not containing added flavoring or coloring matter	50	125	15
17011200	Raw beet sugar, not containing added flavoring or coloring matter	50	125	15
17019100	Raw sugar containing added flavoring or coloring matter	50	125	15
17019910	Granulated sugar	50	125	15
17019920	Superfine sugar	50	125	15
17019990	Other refined sugar	50	125	15

END TRANSLATION