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China

International Trade

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This country-specific Q&A provides an overview of international trade laws and regulations applicable in China.

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China: International Trade

1. What has been your jurisdiction's historical level of interaction with the WTO (e.g. membership date for the GATT/WTO, contribution to initiatives, hosting of Ministerials, trade policy reviews)?

On July 10, 1986, China formally applied to resume its status as a contracting party to the GATT. In 1995, the WTO replaced the GATT, and China's re-entry negotiations were transformed into WTO accession negotiations. On November 10, 2001, the fourth WTO ministerial meeting held in Doha, Qatar, adopted the legal documents for China's accession to the WTO, marking that after 15 years of hard work, China finally became a new member of the WTO. On December 11 of the same year, China officially joined the WTO and became its 143rd member.

China's contributions to the GATT include: In 1947, China became one of the founding members of the GATT. In 1986, China formally applied for re-entry to the General Agreement on Tariffs and Trade (GATT), the predecessor of the WTO. In 1995, China formally joined the World Trade Organization (WTO). In the 20 years since joining the WTO, China has made outstanding contributions to the stable operation of the WTO and the development of global trade. China's rapid development has expanded the scale and strength of the WTO, and China has become a key force in promoting the reform process of the WTO. Since 2023, China has fully fulfilled its WTO accession commitments, and China's overall tariff level has dropped from 15.3% to 7.3 %, lower than the 9.8% WTO accession commitment. In the past 20 years, China's total economic output has risen from sixth to second place in the world, its trade in goods has increased from sixth to first place in the world, its trade in services has increased from eleventh to fourth place in the world, its use of foreign capital has remained the first among developing countries, and its outward direct investment has risen from the 26th to the third place in the world.

The Sixth Ministerial Conference opened in Hong Kong, China on December 13, 2005. This meeting is an important part of the Doha Round of negotiations. The topics of the meeting are the topics of the Doha Round of negotiations, including cutting agricultural subsidies and agricultural product tariffs, reducing industrial product tariffs, development issues, opening up the service

industry, intellectual property protection and settlement of trade disputes, trade facilitation, etc.

China has undergone nine trade policy reviews since joining the WTO. From July 17 to 19, 2024, the WTO's ninth trade policy review of China was successfully concluded in Geneva, Switzerland.

2. Are there any WTO agreements to which your jurisdiction is not party (e.g. Government Procurement Agreement)? Is your jurisdiction seeking to accede to these agreements?

China is not yet a party to the Agreement on Government Procurement (GPA). When it joined the WTO in 2001, China pledged to start negotiations on joining the Agreement on Government Procurement (hereinafter referred to as the GPA) at an appropriate time and launched negotiations at the end of 2007. China applied to join the GPA in December 2007, submitted its seventh bid list in October 2019, and submitted written responses to the questions and comments of the Parties on its bid list in June 2021. At the March 2024 meeting, China notified the Committee that it was actively improving its market access proposals and that the revision of the Government Procurement Law was also progressing in an orderly manner.

3. Is your jurisdiction participating in any ongoing WTO negotiations (e.g. E-Commerce Joint Initiative) and what has been its role?

In January 2019, 76 WTO members including China, the United States, and the European Union jointly issued a joint statement to launch negotiations on trade-related e-commerce issues. China is an important participant and main proposer of the negotiations. It has participated in all consultations on issues with an active and constructive attitude and has put forward 9 proposals covering more than 20 specific issues, most of which have been included in the consensus.

4. Has your jurisdiction engaged in the WTO dispute settlement system in the past 5 years? If so, in which disputes and in which capacity (as a

party to a dispute or as a third party)?

In the past five years, China has participated in the WTO dispute settlement mechanism.

China has requested WTO dispute consultations with the EU regarding the EU's final countervailing duties on electric vehicles from China. The request was circulated to WTO members on November 6, 2024. China has requested WTO dispute consultations with the EU regarding the EU's countervailing duty investigation on battery electric vehicles imported from China and the subsequent imposition of provisional countervailing duties on the targeted vehicles. The request was circulated to WTO members on August 14, 2024. China has requested WTO dispute consultations with Turkey regarding Turkey's measures on electric vehicles and certain other types of vehicles originating from China. The request was circulated to WTO members on October 11, 2024. China has requested WTO dispute consultations regarding Canada's additional duty measures on Chinese-origin products, including electric vehicles, and steel and aluminium products. The request was circulated to WTO members on September 11, 2024. On 29 March 2024, Australia and China submitted a notification of a mutually agreed solution to the WTO Dispute Settlement Body on "China – Anti-dumping and countervailing measures on Australian wine" (DS602). China is the claimant in the WTO dispute case against Australia on wind towers and other three products. The WTO ruled that Australia's anti-dumping measures on three Chinese products, namely wind towers, railway wheels, and stainless-steel sinks, violated WTO rules. China is the respondent in the WTO dispute case against Japan on anti-dumping measures against stainless steel. The United States notified the Dispute Settlement Body of its decision to appeal the panel report in the case against Hong Kong, China on "United States – Origin marking requirements" (DS597). The panel report was circulated to WTO members on 21 December 2022. On January 26, 2022, the World Trade Organization (WTO) arbitration panel issued a decision on the trade dispute (DS437) between China and the United States regarding anti-subsidy measures. "According to Article 22 of the WTO's Dispute Settlement Rules and Procedures (DSU), China can apply to the WTO for non-performance of its annual concession obligations to the United States of no more than US\$645.121 million." In the case where the United States sued China and third countries such as Australia for food subsidies, China was the respondent. In the case where China sued the United States for violating WTO rules in its anti-subsidy measures against Chinese oil well pipes and other products, China was the applicant.

5. Has your jurisdiction expressed any views on reform of the WTO, in particular, the dispute settlement system and the Appellate Body?

On May 13, 2019, China formally submitted "China's Proposal on WTO Reform" to the World Trade Organization. In addition, China, the European Union, and other WTO members have jointly submitted two proposals on the reform of the dispute settlement appeal procedure. The first proposal responded to the concerns raised by some members about the appeal procedure and proposed solutions to issues such as the rules for outgoing appellate members; the second proposal mainly aims to strengthen the independence of the Appellate Body, improve the efficiency and capacity of the Appellate Body's reports, and automatically initiate the Appellate Body procedure.

6. What are the key bilateral and/or regional free trade agreements (FTAs) in force for your jurisdiction and from which dates did they enter into force?

As of the end of 2023, my country has signed 22 free trade agreements with 29 countries and regions, accounting for about one-third of China's total foreign trade.

Asia-Pacific Trade Agreement. Formerly the Bangkok Agreement was signed in 1975. On November 2, 2005, the Bangkok Agreement was renamed the Asia-Pacific Trade Agreement; on September 1, 2006, the Asia-Pacific Trade Agreement came into effect; on July 1, 2018, the Second Amendment to the Asia-Pacific Trade Agreement officially came into effect; on January 1, 2021, Mongolia and its member states mutually implemented tariff reduction arrangements under the Asia-Pacific Trade Agreement. Members: China, Bangladesh, India, Laos, South Korea, Sri Lanka, Mongolia. Signed on May 23, 2001. Effective on January 1, 2002.

China-ASEAN Framework Agreement on Comprehensive Economic Cooperation (China-ASEAN Free Trade Area). Members: China, the Philippines, Vietnam, Singapore, Malaysia, Thailand, Indonesia, Laos, Brunei, Cambodia, Myanmar. Signing time: Framework Agreement, November 4, 2002; Upgrade Protocol, November 22, 2015. Effective time: Framework Agreement, January 1, 2004; Upgrade Protocol, October 22, 2019.

China-Pakistan Free Trade Agreement. Members: China, Pakistan. Signing date: Preferential Trade Arrangement, November 3, 2003; Free Trade Agreement, November 24,

2006. Effective date: Preferential Trade Arrangement, January 1, 2004; Free Trade Agreement, July 1, 2007.

Mainland and Hong Kong Closer Economic Partnership Arrangement (Hong Kong CEPA). Members: Mainland China, Hong Kong, China. Signed on: June 29, 2003. Effective on: January 1, 2004.

Mainland China and Macao Closer Economic Partnership Arrangement (Macao CEPA). Members: Mainland China and Macao, China. Signed on October 17, 2003. Effective on January 1, 2004.

China-Chile Free Trade Agreement. Members: China, Chile. Signing date: "Free Trade Agreement" November 18, 2005; "Upgrade Protocol" November 11, 2017. Entry into force: "Free Trade Agreement" October 1, 2006; "Upgrade Protocol" March 1, 2019.

China-New Zealand Free Trade Agreement. Members: China, New Zealand. Signing date: Free Trade Agreement, April 7, 2008; Upgraded Protocol, January 26, 2021. Effective date: Free Trade Agreement, October 1, 2008; Upgraded Protocol, not yet effective.

China-Singapore Free Trade Agreement. Members: China, Singapore. Signing date: Free Trade Agreement, October 23, 2008; Upgraded Protocol, November 12, 2018. Effective date: Free Trade Agreement, January 1, 2009; Upgraded Protocol, October 16, 2019.

China-Peru Free Trade Agreement. Members: China, Peru. Signed on April 28, 2009. Effective on March 1, 2010.

Cross-Strait Economic Cooperation Framework Agreement. Members: Mainland China, Taiwan. Signed on: June 29, 2010. Effective on: January 1, 2011.

China-Iceland Free Trade Agreement. Members: China, Iceland. Signed on: April 15, 2013. Effective on: July 1, 2014.

China-Switzerland Free Trade Agreement. Members: China, Switzerland. Signed on: July 6, 2013. Effective on: July 1, 2014.

China-Korea Free Trade Agreement. Members: China, South Korea. Signed on: June 1, 2015. Effective on: December 20, 2015.

China-Australia Free Trade Agreement. Members: China, Australia. Signed on: June 17, 2015. Effective on: December 20, 2015.

China-Georgia Free Trade Agreement. Members: China, Georgia. Signed on: May 13, 2017. Effective on: January 1,

2018.

China-Maldives Free Trade Agreement. Members: China, Maldives. Signing date: December 7, 2017. Effective date: Not yet in effect.

China-Mauritius Free Trade Agreement. Members: China, Mauritius. Signed on: October 17, 2019. Effective on: January 1, 2021.

China-Cambodia Free Trade Agreement. Members: China, Cambodia. Signing date: October 12, 2020. Effective date: Not yet in effect.

Regional Comprehensive Economic Partnership (RCEP). Members: China, ASEAN (Philippines, Vietnam, Singapore, Malaysia, Thailand, Indonesia, Laos, Brunei, Cambodia, Myanmar), Japan, South Korea, Australia, New Zealand. Signed on: November 15, 2020. Effective date: Not yet in effect.

7. Is your jurisdiction currently negotiating any FTAs (or signed any FTAs that have not yet entered into force) and, if any, with which jurisdictions? What are your jurisdiction's priorities in those negotiations (e.g. consolidating critical mineral supply chains, increasing trade in financial services, etc.)? For both FTAs under negotiation and signed FTAs, when are they expected to enter into force?

China is currently negotiating seven free trade agreements involving 22 countries, namely the free trade agreements between China and the Gulf Cooperation Council (GCC), Australia, Sri Lanka, and Norway, as well as the China-Japan-ROK free trade agreement, the Regional Comprehensive Economic Partnership (RCEP) agreement, the upgraded negotiations of the China – ASEAN Free Trade Agreement ("10+1"), and the second phase of the China – Pakistan free trade agreement. The construction of free trade zones is an important way to promote economic globalization and trade liberalization. Through free trade zones, China's economy is more deeply integrated into the world economy. At the same time, China's market is becoming more and more open, and consumers' choices are becoming more and more diverse. China hopes that by building a high-standard free trade zone network that meets China's development level, it can work with free trade partners to improve the level of liberalization and facilitation of goods, services, and investment, jointly cultivate a large global market, improve the global value chain, oppose trade protectionism with practical actions, further promote the

construction of an open world economy, and make China's contribution to the stable and healthy development of the global economy. After consultation between China and Serbia, the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Serbia (hereinafter referred to as the "Agreement") will come into effect on July 1, 2024.

8. Which five countries are the biggest trading partners for your jurisdiction in relation to each of exports and imports and which goods or services are particularly important to your jurisdiction's external trade relationships?

ASEAN, the EU, the United States, Japan, and South Korea are China's largest trading partners. In terms of China's export commodities, industrial products, electromechanical products, and high-tech products are particularly important. In terms of the growth of China's total import and export of service items, transportation, tourism, and other commercial services are particularly important.

9. What are the three most important domestic and three most important international developments that are likely to have the biggest impact on your jurisdiction's trade profile and priorities?

The national economy continues to recover and the economic structure is adjusted and optimized; the agricultural production situation is good, and grain production is expected to have another bumper harvest; industrial production continues to grow, and the domestic development and economic recovery with increasing endogenous driving force are slowing down and showing a trend of differentiation, the industrial chain and supply chain are facing challenges, and international developments such as global inflation continues to run at a high level are most likely to have the greatest impact on China's trade situation and priorities.

10. Has your jurisdiction taken any specific domestic measures to address sustainability issues in international supply chains, for example in relation to forced labour, human rights and environmental issues? Is it seeking to address these issues in any FTAs or other international

agreements?

No. 29 and Convention No. 105 are two of the 10 core conventions of the International Labor Organization and are the most important international legal instruments in the field of eliminating forced Labor. Before ratifying the two conventions, the Chinese government had taken a series of measures to firmly oppose and severely crack down on forced Labor, which provided conditions for the ratification of the two conventions. The inclusion of the clause "the state respects and protects human rights" in the Fourth Amendment to the Constitution in 2005 has far-reaching significance. Article 37 of the Constitution of China clearly stipulates that the personal freedom of citizens shall not be violated, and no unit or individual shall illegally restrict or deprive it. Forced Labor is a serious violation of human rights. Therefore, the human rights clauses in the Constitution provide top-level design and constitutional guidance for eliminating and combating forced Labor. In 2013, the Standing Committee of the National People's Congress made the "Decision on Repealing the Legal Provisions on Re-education through Labor", which cleared the main institutional obstacles to the ratification of the two conventions. In addition, before the implementation of the Criminal Law Amendment (VIII) in 2011, the crime of forced Labor was called "forcing employees to work". After the implementation of the Criminal Law Amendment (VIII), the crime was changed to "forced Labor". The Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Public Security Administration Punishment Law of the People's Republic of China also make prohibitive provisions on forced Labor. In addition to approving the two international conventions involving forced Labor, China has also made outstanding contributions to strengthening the legal protection of human rights, fully participating in global human rights governance, and promoting the development of the world's human rights cause. So far, China has participated in a number of human rights conventions, including the International Covenant on Economic, Social, and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination against Women, and the International Convention on the Elimination of All Forms of Racial Discrimination, and has actively submitted compliance reports to various treaty bodies on China's implementation of human rights conventions.

China has established the constitutional principle of respecting and protecting human rights. In March 2004, the second session of the Tenth National People's Congress passed the "Amendment to the Constitution of the People's Republic of China", which formally included "

the state respects and protects human rights " in the Constitution. As a result, " respecting and protecting human rights " has become the basic principle of the entire socialist legal system with Chinese characteristics, and also the code of conduct and legal obligation that all state organs, armed forces, political parties, social groups, enterprises and institutions must abide by. All laws, regulations, rules and normative documents must not conflict with it, and any behaviour that violates it must be investigated. China has established a governing philosophy of respecting and protecting human rights. The 15th National Congress of the Communist Party of China held in 1997 wrote " ensuring that the people enjoy extensive rights and freedoms in accordance with the law, respecting and protecting human rights " into the report of the conference for the first time. The 16th National Congress of the Communist Party of China held in 2002 reiterated " respecting and protecting human rights " and included " the people's political, economic and cultural rights and interests are effectively respected and protected " and " promoting the all-round development of people " in the goal of building a well-off society in an all-round way. The 17th CPC National Congress held in 2007 included " respecting and protecting human rights, and guaranteeing the rights of all members of society to participate and develop equally in accordance with the law " in the report of the congress, and formally included " respecting and protecting human rights " in the Constitution of the Communist Party of China. Since the 18th CPC National Congress, the CPC has paid more attention to improving the system and mechanism for respecting and protecting human rights from the perspective of comprehensively deepening reform and accelerating the modernization of the national governance system and governance capacity. In 2017, the report of the 19th CPC National Congress made it clear that the main contradiction in Chinese society in the new era is the contradiction between the people's growing needs for a better life and the unbalanced and inadequate development. We must adhere to the people-centered development thinking and continuously promote the all-round development of people and the common prosperity of all people. In 2019, the Fourth Plenary Session of the 19th CPC Central Committee pointed out that improving people's well-being and promoting the all-round development of people are the essential requirements of the CPC to establish the party for the public and govern for the people. In 2020, the Fifth Plenary Session of the 19th CPC Central Committee adopted the "Proposal of the CPC Central Committee on Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-Term Goals for 2035", and set " promoting the all-round development of people and the all-round progress of

society " and " promoting the all-round development of human rights " as higher goals for China's development. China has established a national development plan that respects and protects human rights. From 1953 to 2021, China has formulated 14 national economic and social development plans (programs), making arrangements for the development of the country's economy, society, culture, environment and other aspects. Since the founding of the People's Republic of China, the Communist Party of China has adhered to the dominant position of the people and, based on national conditions and reality, has established a system of people's mastery of their own affairs, with the fundamental political system of the people's congress system, the multi-party cooperation and political consultation system under the leadership of the Communist Party of China, the system of regional ethnic autonomy, and the grassroots mass autonomy system as the main contents, laying a solid institutional foundation for safeguarding the fundamental interests of the vast majority of the people. The Communist Party of China insists on protecting the people's right to survival and development as the primary basic human rights, insists on protecting and improving people's livelihood in development, promotes human rights through development, and strives to promote the comprehensive development of human rights and the all-round development of people. The Communist Party of China organically combines the rule of law with the protection of human rights and runs through the entire process of socialist rule of law construction. In the process of promoting the comprehensive rule of law, scientific legislation provides a solid legal system for protecting human rights, strict law enforcement provides a good legal government environment for protecting human rights, and fair justice provides a powerful judicial remedy for protecting human rights. A system of party regulations based on the party constitution and supported by a number of supporting party regulations has been established to vigorously fight corruption and safeguard the interests of the people. The Communist Party of China insists on seeking freedom and happiness for the Chinese people and peace and progress for human society. The Communist Party of China has proved through its actual actions that it is a party that loves peace and progress, a party dedicated to the cause of human justice, and a party that promotes the continuous development of the world's human rights cause.

China firmly upholds multilateralism and actively participates in global environmental governance. China continues to increase its contributions to the Global Environment Fund and has become the largest contributor to the core budget of the Convention on Biological Diversity and its protocols. Under the

framework of "South-South Cooperation", China actively supports developing countries in protecting biodiversity, benefiting more than 80 countries around the world. China will jointly establish the "Nature-Based Solutions" Asian Centre with the World Conservation Union to build an international exchange window platform in the field of ecological protection and restoration. China has made a series of arrangements for the development of green trade. For example, in November 2019, the "Guiding Opinions of the CPC Central Committee and the State Council on Promoting High-Quality Development of Trade" proposed to promote the coordinated development of trade and the environment. In February 2021, the "Guiding Opinions of the State Council on Accelerating the Establishment and Improvement of a Green, Low-Carbon, Circular Development Economic System" proposed "establishing a green trade system", emphasizing the active optimization of the trade structure and the vigorous development of high-quality, high-value-added green product trade. The "14th Five-Year Plan for High-Quality Development of Foreign Trade" lists "building a green trade system" as one of the ten key tasks, and proposes four measures, including establishing a green and low-carbon trade standard and certification system, building a green trade development platform, creating a good policy environment for the development of green trade, and solidly carrying out green and low-carbon trade cooperation. For many years, China has been at the forefront of global green trade. In 2020 and 2021, China became the world's largest green trade economy for two consecutive years, with total imports and exports accounting for about 13% of the world's total. In 2022, China's green trade volume ranked third in the world, and it was also the world's largest green trade exporter and third largest importer.

China has also tried to address these issues in free trade agreements or other international agreements. For example, since the construction of China's free trade zones began in 2004, 12 free trade agreements have been signed by 2015, involving 20 countries and regions. In dealing with the issue of international trade and Labor standards, four free trade agreements have included Labor clauses.

11. Is your jurisdiction taking any specific domestic measures to promote near-shoring/on-shoring for strategic goods (i.e. domestic subsidies, import tariffs, or export restrictions)? Is it seeking to address these issues in any FTAs or other international agreements?

China is a member of the World Trade Organization

(WTO), and its subsidy policy strictly abides by WTO rules. China earnestly implements the WTO Agreement on Subsidies and Countervailing Measures. In order to coordinate the use of two markets and two resources at home and abroad, continuously improve the quality and level of supply, and promote the virtuous cycle of the national economy, from January 1, 2021, my country will implement a temporary import tariff lower than the most-favoured-nation tariff on 883 commodities. At the same time, according to the development of domestic industries and changes in supply and demand, the temporary import tariff implemented in 2020 will be appropriately adjusted. In order to implement the Law on the Prevention and Control of Environmental Pollution by Solid Wastes, from January 1, 2021, the temporary import tariff on solid wastes such as metal scraps will be cancelled accordingly, and the most-favoured-nation tariff will be restored. In order to promote the high-quality development of the joint construction of the "Belt and Road" and achieve high-quality imports and high-level going out, according to the free trade agreements or preferential trade arrangements signed and effective between my country and relevant countries or regions, in 2021, my country will implement the agreed tariffs on some imported goods originating from relevant countries or regions. Starting from July 1, 2021, my country will also implement the sixth step of tariff reduction on the most-favoured-nation tariff rates for 176 information technology products. In order to adapt to the needs of industrial development and scientific and technological progress, facilitate trade management and statistics, and standardize the implementation of the "Commodity Description and Coding System", some tariff items were also adjusted in 2021. The total number of tariff items after adjustment is 8,580. As a responsible major country, China firmly upholds the international system with the United Nations at its core and the international order based on international law earnestly upholds the authority of international treaties and mechanisms that conform to true multilateralism and actively promotes the development of international export controls in the right direction of fairness, rationality and non-discrimination. (I) Adhere to the overall national security concept. (II) Seriously fulfill international obligations and commitments. (III) Actively promote international cooperation and coordination. (IV) Resolutely oppose the abuse of export control measures.

12. What is the legal regime governing trade sanctions in your country? Has it evolved in response to ongoing geopolitical developments, such as the on-going crisis in Ukraine?

China has promulgated and implemented the Anti-Foreign Sanctions Law of the People's Republic of China, the Unreliable Entity List Regulations, and the Measures for Blocking the Improper Extraterritorial Application of Foreign Laws and Measures. The Chinese government has established an "Unreliable Entity List" system, which lists foreign legal persons, other organizations, or individuals that have imposed blockades, supply cuts, or other discriminatory measures on Chinese entities for non-commercial purposes, caused substantial damage to Chinese companies or related industries, and posed a threat or potential threat to China's national security. From current observations, China's trade sanctions system has been less affected by the Ukrainian crisis.

13. Does your jurisdiction use trade remedies and, if so, what remedies are most commonly used? And in which jurisdictions and on which products are they most commonly applied?

Yes. China's trade remedy measures mainly include anti-dumping, anti-subsidy, and safeguard measures. In addition, China's Foreign Trade Law also stipulates other relief measures, such as safeguard measures applicable to trade in services, relief measures against import diversion, relief measures when other countries fail to fulfill their obligations, anti-circumvention measures, early warning, and emergency response mechanisms, etc. From 2011 to 2021, China's total import remedies for 122 trade remedy investigations were initiated. Among them, anti-dumping There were 108 sales, accounting for 88.5%; there were 13 anti-subsidy cases, accounting for According to WTO statistics, in 2021, China The country has legally imposed fines on nylon 6 slices (4 cases, including Taiwan Bay), unbleached paper bag paper (3 cases), carbon steel tight Firmware (2 cases), oriented electrical steel (3 cases), Acrylic Fiber (3 cases) Anti-dumping investigation initiated on 5 imported products Expiration review investigation; Anti-dumping affirmation for polyamide 6,6 chips from China The final review ruled on one item and the anti-dumping duties will continue to be levied for 5 years.

14. What is the key legislation relating to anti-dumping duties, countervailing duties and safeguards? What are the authorities responsible for investigating and deciding whether these remedies are applied?

The main pieces of legislation related to anti-dumping duties, countervailing duties, and safeguards are the Anti-dumping Regulations of the People's Republic of China,

the Countervailing Regulations of the People's Republic of China, and the Safeguard Regulations of the People's Republic of China. The Ministry of Commerce of the People's Republic of China is responsible for investigating and determining whether dumping is applicable. The State Economic and Trade Commission of the People's Republic of China is responsible for investigating and deciding whether anti-dumping is applicable. The Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China (hereinafter referred to as the Ministry of Foreign Trade and Economic Cooperation) is responsible for investigating and determining subsidies. The Ministry of Commerce of the People's Republic of China is responsible for investigating and determining the increase in the number of imported products and damage; among them, the investigation of domestic industry damage caused by safeguard measures involving agricultural products shall be conducted by the Ministry of Commerce of the People's Republic of China in conjunction with the Ministry of Agriculture of the People's Republic of China.

15. What is the process for a domestic business and/or industry to seek trade remedies (i.e. key documentation, evidence required, etc.)? How can foreign producers participate in trade remedies investigations in your jurisdiction?

Domestic industries or natural persons, legal persons or relevant organizations representing domestic industries (hereinafter referred to as applicants) may submit written applications for anti-dumping investigations to the Ministry of Commerce in accordance with the provisions of the Anti-dumping Regulations of the People's Republic of China. The application shall include the following contents: (i) the name, address and relevant information of the applicant; (ii) a complete description of the imported products for which the investigation is applied, including the product name, the exporting countries (regions) or countries (regions) of origin involved, known export operators or producers, price information of the products when consumed in the domestic market of the exporting countries (regions) or countries (regions) of origin, export price information, etc.; (iii) a description of the quantity and value of domestic production of similar products; (iv) the impact of the quantity and price of the imported products for which investigation is applied on the domestic industry; (v) other contents that the applicant considers necessary to explain. The application shall be accompanied by the following evidence: (i) the existence of dumping of the imported products for which investigation is applied; (ii) damage to the domestic

industry; (iii) the existence of a causal relationship between dumping and damage. If a foreign producer is an interested party, it may provide statements and arguments in accordance with the law, and may truthfully reflect the situation and provide relevant information.

Domestic industries or natural persons, legal persons or relevant organizations representing domestic industries (hereinafter referred to as applicants) may submit written applications for anti-subsidy investigations to the Ministry of Foreign Trade and Economic Cooperation in accordance with the provisions of the Anti-Subsidy Regulations of the People's Republic of China. The application shall include the following contents: (i) the name, address, and relevant information of the applicant; (ii) a complete description of the imported products for which the investigation is applied, including the product name, the exporting countries (regions) or countries (regions) of origin involved, known export operators or producers, etc.; (iii) a description of the quantity and value of domestic production of similar products; (iv) the impact of the quantity and price of the imported products applied for investigation on the domestic industry; (v) other contents that the applicant considers necessary to explain. The application shall be accompanied by the following evidence: (i) the existence of subsidies on the imported products for which investigation is applied; (ii) damage to the domestic industry; (iii) a causal relationship between subsidies and damage. If a foreign producer is an interested party, it may provide statements and arguments in accordance with the law, and may truthfully reflect the situation and provide relevant information.

Natural persons, legal persons, or other organizations related to domestic industries (hereinafter referred to as applicants) may submit written applications to the Ministry of Commerce for the adoption of safeguard measures in accordance with the provisions of the Regulations of the People's Republic of China on Safeguard Measures. If foreign manufacturers are interested parties, they may provide statements and arguments in accordance with the law.

16. Does your jurisdiction have any special regulations or procedures regarding investigation of possible circumvention or evasion of trade remedies? What are the consequences of circumventing or evading trade remedies?

As far as we can see, China does not have any special regulations or procedures for investigating possible circumvention or evasion of trade remedies. Instead, the

Ministry of Commerce can take appropriate measures to prevent circumvention of anti-dumping measures. The Ministry of Foreign Trade and Economic Cooperation and the State Economic and Trade Commission can take appropriate measures to prevent circumvention of countervailing measures.

17. What are the substantive legal tests in your jurisdiction for the application of remedies? Does your jurisdiction apply a lesser duty rule and/or a public interest test in anti-dumping investigations? Are there any other notable features of your jurisdiction's trade remedies regime?

Dumping refers to the import of products into the market of the People's Republic of China at an export price lower than their normal value in the normal course of trade. The Ministry of Commerce shall be responsible for the investigation and determination of dumping. The normal value of imported products shall be determined in accordance with the following methods based on different situations: (a) If there is a comparable price for similar products of imported products in the normal course of trade in the domestic market of the exporting country (region), the normal value shall be the comparable price; (b) If there is no sale of similar products of imported products in the normal course of trade in the domestic market of the exporting country (region), or if the price and quantity of such similar products cannot be fairly compared, the normal value shall be the comparable price of such similar products exported to an appropriate third country (region) or the production cost of such similar products in the country of origin (region) plus reasonable expenses and profits. If the imported product does not come directly from the country (region) of origin, the normal value shall be determined in accordance with the provisions of item (a) of the preceding paragraph; however, in cases where the product is only transhipped through the exporting country (region), the product is not produced in the exporting country (region) or there is no comparable price in the exporting country (region), the price of the similar product in the country (region) of origin may be used as the normal value. The export price of imported products shall be determined in accordance with the following methods based on different situations: (a) If the imported product has an actual price paid or should be paid, the price shall be used as the export price; (b) If the imported product has no export price or its price is unreliable, the price inferred from the price at which the imported product was first resold to an independent purchaser shall be used as the export price; however if the imported product is not

resold to an independent purchaser or is not resold in the state when it was imported, the price inferred by the Ministry of Commerce on a reasonable basis may be used as the export price. There are public interest test rules in anti-dumping investigations. If the Ministry of Commerce believes that the price commitment made by the export operator is acceptable and in the public interest, it may decide to suspend or terminate the anti-dumping investigation and not take temporary anti-dumping measures or impose anti-dumping duties. The decision to suspend or terminate an anti-dumping investigation shall be announced by the Ministry of Commerce.

Subsidy refers to financial assistance and any form of income or price support provided by the government of the exporting country (region) or any of its public institutions that brings benefits to the recipient. The government of the exporting country (region) or any of its public institutions are collectively referred to as the government of the exporting country (region) below. Financial assistance includes: (i) the government of the exporting country (region) directly provides funds in the form of grants, loans, capital injections, etc., or potentially directly transfers funds or debts in the form of loan guarantees, etc.; (ii) the government of the exporting country (region) waives or does not collect receivable income; (iii) the government of the exporting country (region) provides goods and services other than general infrastructure, or the government of the exporting country (region) purchases goods; (iv) the government of the exporting country (region) pays financing institutions, or entrusts or instructs private institutions to perform the above functions. Subsidies are subject to investigation and anti-subsidy measures must be specific. Subsidies that fall into any of the following circumstances are considered specific: (i) subsidies obtained by certain enterprises or industries clearly identified by the government of the exporting country (region); (ii) subsidies obtained by certain enterprises or industries clearly defined by the laws and regulations of the exporting country (region); (iii) subsidies obtained by enterprises or industries in a designated specific region; (iv) subsidies obtained on the condition of export performance, including the various subsidies listed in the export subsidy list attached to these Regulations; (v) subsidies obtained on the condition of using domestic (regional) products to replace imported products. When determining the specificity of subsidies, factors such as the number of subsidized enterprises and the amount, proportion, time of subsidies received by enterprises and the method of granting subsidies should also be considered. The Ministry of Foreign Trade and Economic Cooperation (hereinafter referred to as MOFTEC) is responsible for the investigation and determination of

subsidies. The amount of subsidy for imported products shall be calculated according to the following methods, depending on different situations: (i) If the subsidy is provided in the form of grants, the amount of subsidy shall be calculated based on the amount actually received by the enterprise; (ii) If the subsidy is provided in the form of loans, the amount of subsidy shall be calculated based on the difference between the interest that the enterprise receiving the loan should pay under normal commercial loan conditions and the interest of the loan; (iii) If the subsidy is provided in the form of loan guarantees, the amount of subsidy shall be calculated based on the difference between the interest that the enterprise should pay without guarantees and the interest actually paid by the enterprise with guarantees; (iv) If the subsidy is provided in the form of capital injection, the amount of subsidy shall be calculated based on the amount of capital actually received by the enterprise; (v) If the subsidy is provided in the form of providing goods or services, the amount of subsidy shall be calculated based on the difference between the normal market price of the goods or services and the price actually paid by the enterprise; (vi) If the subsidy is provided in the form of purchasing goods, the amount of subsidy shall be calculated based on the difference between the price actually paid by the government and the normal market price of the goods; (vii) If the subsidy is provided in the form of giving up or not collecting receivable income, the amount of subsidy shall be calculated based on the difference between the amount payable according to law and the amount actually paid by the enterprise. For subsidies other than those listed in the preceding paragraph, the subsidy amount shall be determined in a fair and reasonable manner.

In emergency situations where there is clear evidence that the quantity of imported products has increased and that no temporary safeguard measures will cause irreparable damage to domestic industries, a preliminary ruling may be made and temporary safeguard measures may be taken. Temporary safeguard measures take the form of increased tariffs. The implementation period of temporary safeguard measures shall not exceed 200 days from the date of implementation specified in the announcement of the temporary safeguard measures decision. If the final ruling determines that the quantity of imported products has increased and has caused damage to domestic industries, safeguard measures may be taken. The implementation of safeguard measures shall be in the public interest. Safeguard measures may take the form of increased tariffs, quantitative restrictions, etc. If any country (region) takes discriminatory safeguard measures against the export products of the People's Republic of China, the People's

Republic of China may take corresponding measures against that country (region) based on actual circumstances.

18. Is there a domestic right of appeal against the authority's decisions? What is the applicable procedure?

Regarding anti-dumping, if you are dissatisfied with the final ruling, the decision on whether to impose countervailing duties the decision on retroactive collection, or the review decision, you may apply for administrative reconsideration or file a lawsuit in the people's court in accordance with the law.

Regarding anti-subsidy, if you are dissatisfied with the final ruling, the decision on whether to impose anti-subsidy duties and the decision on the retroactive collection, or the review decision, you may apply for administrative reconsideration in accordance with the law or file a lawsuit in the people's court in accordance with the law.

19. Has your jurisdiction's imposition of any trade remedies been challenged at the WTO? If so, what was the outcome? A general explanation of trends can be provided for jurisdictions involved in significant trade remedies dispute settlement.

According to incomplete statistics, from the perspective of the objects of the 31 anti-subsidy dispute settlements involving China, the 13 cases in which China was a party mainly involved coated paper, standard steel pipes, rectangular steel pipes, off-road tires and composite woven bags, agricultural products, auto parts, food, wind power equipment, export tax rebates, intellectual property protection of imported goods, restrictions on imported publications and audio-visual products, financial information transparency, etc., while the cases in which China participated as a third party involved a wider range, including large civil aircraft, commercial ships and other large equipment in addition to the above products. From the perspective of the reasons for the 31 anti-subsidy dispute settlements involving China, only the two cases involving measures affecting trade in large civil aircraft between the United States and the European Community and its member states were disputes specifically filed on subsidy issues, and the other cases were multiple reasons. As the complainant, the two dispute settlement grounds filed by China were based on the "double anti-measures" of the United States; as the respondent, only

four cases were against China's anti-dumping and subsidy measures at the same time, and the others were mainly against China's trade-related investment measures and subsidy measures. In the practice of China's participation in WTO anti-subsidy dispute settlement as the complained party, China prefers to settle the case through "consultation settlement". Among the 13 cases in which China participated, six cases, including the refund and exemption of taxes and other fees, the case of gifts, loans, and other incentives, and the case of measures related to wind power generation, were settled through "consultation settlement".

20. What authorities are responsible for enforcing customs laws and regulations and what is their role?

The Customs of the People's Republic of China is the national authority for the supervision and administration of goods entering and leaving the Customs territory (hereinafter referred to as "entry and exit"). In accordance with the Customs Law of the People's Republic of China and other relevant laws and administrative regulations, the Customs supervises the inbound and outbound means of transport, goods, luggage, postal articles and other articles (hereinafter referred to as "inbound and outbound means of transport, goods and articles"), collects customs duties and other taxes and fees, investigates and cracks down on smuggling, compiles customs statistics and handles other customs business.

21. Can importers apply for binding rulings from the customs authority in advance of an import transaction? How can customs decisions be challenged?

Before the actual import or export of goods, the applicant may apply for a preliminary ruling on the following customs matters: (i) commodity classification of imported and exported goods; (ii) origin or origin qualification of imported and exported goods; (iii) relevant factors and valuation methods of the dutiable value of imported goods; (iv) other customs matters specified by the General Administration of Customs. The "factors related to the dutiable value" referred to in the preceding paragraph include royalties, commissions, freight and insurance premiums, special relationships, and other factors related to the determination of the dutiable value. If the applicant is dissatisfied with the preliminary ruling decision, he or she may apply to the General Administration of Customs for administrative reconsideration; if dissatisfied with the reconsideration

decision, he or she may file an administrative lawsuit with the People's Court in accordance with the law.

22. Where can information be found about import tariffs and other customs charges?

Through the website of the Ministry of Commerce of China, you can check the tax rates of various countries, the trade taxes of various countries, the tax rates of goods entering China, and the import tax rates of goods originating from China in other countries. Components of customs fees: 1. Tariffs: taxes and fees levied according to the types and quantities of imported and exported goods; 2. Value-added tax: taxes and fees levied on imported goods based on the value of the goods and the total amount of tariffs; 3. Consumption tax: taxes and fees levied on certain specific consumer goods such as tobacco and alcohol; 4. Inspection and quarantine fees: fees incurred for inspection and quarantine of imported and exported goods; 5. Storage fees: fees incurred for the storage of goods under customs supervision; 6. Agency fees: service fees charged by customs brokers for customs declaration services. To sum up, customs fees include import and export declaration fees, customs inspection and cooperation fees, wooden packaging inspection fees, fumigation fees, terminal forklift loading and unloading fees, bill of lading fees, vehicle pressing fees, terminal yard fees, and delivery fees. The specific amount varies depending on factors such as service content, cargo volume, terminal differences, and shipping company invoices, and needs to be determined based on actual conditions and the specific charging standards of the customs declaration company.

23. Does your jurisdiction have any of the following features: a. Authorised Economic Operator (AEO) or equivalent programme? b. Mutual recognition arrangements (MRAs) with other jurisdictions in relation to their AEO programmes? c. Suspension of duties on any goods imports (for example, for goods for which there is no domestic production)? d. Allowing goods imports valued below a certain amount to enter duty free (de minimis shipments)?

Zhu Fang, deputy director of the Enterprise Management and Inspection Department of the General Administration of Customs, introduced that as of the end of March this year, China has signed AEO mutual recognition arrangements (agreements) with 26 economies including Singapore and the European Union, covering 52 countries

(regions), ranking first in the world in the number of mutual recognition arrangements (agreements) signed and the number of mutual recognition countries (regions). Customs data show that in the first quarter of 2024, the inspection rate of AEO enterprises has dropped to 18.9% of the inspection rate of enterprises under conventional management measures. As of the end of March, there were 5,860 AEO enterprises nationwide, accounting for 1.19% of the number of enterprises with actual import and export performance, directly contributing 36.31% of China's import and export volume, and playing a positive role in China's development of an export-oriented economy. Starting from December 1, 2024, China will apply a preferential tariff rate of zero to 100% of tariff items originating from the least developed countries that have established diplomatic relations with China. Non-resident Chinese passengers who are allowed to enter the country to settle down and bring into the country their personal belongings and vehicles owned and used abroad shall go through customs clearance procedures with the customs within six months after being allowed to settle down, with the residence certificate issued by the relevant competent authorities of the People's Republic of China. The above-mentioned personal belongings can be declared to the competent customs of the place of settlement or the port customs. Except for the items listed in the "List of Taxable Personal and Settlement Items for Settled Passengers" (see Appendix 2), which are subject to tax, they will be allowed to enter the country tax-free within a reasonable quantity after review by the customs. Among them, the tax-paid price of items above RMB 1,000 and below RMB 5,000 (including RMB 5,000) is limited to 1 piece of each type. Cars and motorcycles for personal use should be declared to the customs office in charge of the place of residence, and each household will be allowed to enter the country with one taxed vehicle.

24. What free trade zones and facilities such as bonded warehouses are available in your jurisdiction?

On September 27, 2013, the State Council approved the establishment of the China (Shanghai) Pilot Free Trade Zone. On April 20, 2015, the scope of implementation of the China (Shanghai) Pilot Free Trade Zone was expanded. On April 20, 2015, the State Council approved the establishment of the China (Guangdong) Pilot Free Trade Zone, the China (Tianjin) Pilot Free Trade Zone, and the China (Fujian) Pilot Free Trade Zone. On March 31, 2017, the State Council approved the establishment of the China (Liaoning) Pilot Free Trade Zone, the China (Zhejiang) Pilot Free Trade Zone, the China (Henan) Pilot

Free Trade Zone, the China (Hubei) Pilot Free Trade Zone, the China (Chongqing) Pilot Free Trade Zone, the China (Sichuan) Pilot Free Trade Zone, and the China (Shaanxi) Pilot Free Trade Zone. On October 16, 2018, the State Council approved the establishment of the China (Hainan) Pilot Free Trade Zone. On August 2, 2019, the State Council approved the establishment of the China (Shandong) Pilot Free Trade Zone, the China (Jiangsu) Pilot Free Trade Zone, the China (Guangxi) Pilot Free Trade Zone, the China (Hebei) Pilot Free Trade Zone, the China (Yunnan) Pilot Free Trade Zone, and the China (Heilongjiang) Pilot Free Trade Zone. On June 1, 2020, the CPC Central Committee and the State Council issued the Overall Plan for the Construction of the Hainan Free Trade Port and issued a notice. On September 21, 2020, the State Council approved the establishment of the China (Beijing) Pilot Free Trade Zone, the China (Hunan) Pilot Free Trade Zone, and the China (Anhui) Pilot Free Trade Zone, and expanded the China (Zhejiang) Pilot Free Trade Zone. On October 21, 2023, the State Council issued the Overall Plan for the China (Xinjiang) Pilot Free Trade Zone to establish the China (Xinjiang) Pilot Free Trade Zone.

In 1990, the State Council approved the establishment of the first bonded area. China now has 16 bonded areas, including Shanghai Waigaoqiao, Tianjin Port, Shenzhen Futian, Shatoujiao and Yantian Port, Dalian, Guangzhou, Zhangjiagang, Haikou, Xiamen Xiangyu, Fuzhou, Ningbo, Qingdao, Shantou, Zhuhai and Hefei. The competent department is the General Administration of Customs.

25. What are the domestic scrutiny and transparency arrangements before and during negotiations for a trade agreement? What domestic ratification procedures are required once a trade agreement is concluded?

The decision-making procedures for negotiating and signing treaties and agreements are as follows: (1) When negotiating and signing treaties and agreements in the name of the People's Republic of China, the Ministry of Foreign Affairs or relevant departments of the State Council shall make suggestions and draft the Chinese draft of the treaty or agreement together with the Ministry of Foreign Affairs, and submit it to the State Council for review and decision; (2) When negotiating and signing treaties and agreements in the name of the Government of the People's Republic of China, the Ministry of Foreign Affairs shall make suggestions and draft the Chinese draft of the treaty or agreement, or the relevant departments of the State Council shall make suggestions and draft the Chinese draft of the treaty or agreement, and after consultation with the Ministry of Foreign Affairs,

submit it to the State Council for review and decision. For agreements on specific business matters, with the consent of the State Council, the Chinese draft of the agreement shall be reviewed and decided by the relevant departments of the State Council, and the Ministry of Foreign Affairs shall be consulted when necessary; (3) When negotiating and signing agreements on matters within the authority of the department in the name of the government of the People's Republic of China, the decision shall be made by the department or after consultation with the Ministry of Foreign Affairs; if it involves major issues or the authority of other relevant departments of the State Council, the department or after consultation with other relevant departments of the State Council shall submit it to the State Council for decision. The Chinese draft of the agreement shall be reviewed and decided by the department, and the Ministry of Foreign Affairs shall be consulted when necessary. If the Chinese draft of a treaty or agreement that has been reviewed and decided by the State Council needs to be significantly revised after negotiations, it shall be submitted to the State Council for review and decision again.

2 of the Constitution of the People's Republic of China stipulates that "all power in our country belongs to the people, and the power to manage the country also belongs to the people." In the process of managing the country, the people naturally have the right to know what the government is doing. This provides a constitutional basis for the right of Chinese citizens to obtain administrative information. In 2007, the "Regulations on Government Information Disclosure" formulated by the State Council included matters involving the vital interests of citizens matters that should be participated by the public, and matters that should be disclosed in accordance with the authority, etc. into administrative disclosure. So far, under this general principle, China's government information disclosure system has been improved.

The approval of treaties and important agreements shall be decided by the Standing Committee of the National People's Congress. The treaties and important agreements specified in the preceding paragraph refer to (a) political treaties such as treaties of friendship and cooperation and peace treaties; (b) treaties and agreements concerning territory and demarcation of boundaries; (c) treaties and agreements concerning judicial assistance and extradition; (d) treaties and agreements that have different provisions from the laws of the People's Republic of China; (e) treaties and agreements that the contracting parties agree to be approved; and (f) other treaties and agreements that are subject to approval. After the signing of treaties and

important agreements, the Ministry of Foreign Affairs or the relevant departments of the State Council shall submit them to the State Council for examination and approval together with the Ministry of Foreign Affairs; the State Council shall submit them to the Standing Committee of the National People's Congress for approval; and the President of the People's Republic of China shall approve them in accordance with the decision of the Standing Committee of the National People's Congress. After the approval of bilateral treaties and important agreements, the Ministry of Foreign Affairs shall handle the procedures for exchanging instruments of ratification with the other contracting party; after the approval of multilateral treaties and important agreements, the Ministry of Foreign Affairs shall handle the procedures for depositing instruments of ratification with the depositary state or international organization of the treaty or agreement. The instrument of ratification shall be signed by the President of the People's Republic of China and countersigned by the Minister of Foreign Affairs.

26. What are the domestic procedures for local traders to request the government take action against measures of other jurisdictions that are inconsistent with WTO and/or FTA rules?

Domestic industries or natural persons, legal persons or relevant organizations representing domestic industries (hereinafter referred to as applicants) may submit written applications for anti-dumping investigations to the Ministry of Commerce in accordance with the provisions of the Anti-dumping Regulations of the People's Republic of China. The application shall include the following contents: (i) the name, address, and relevant information of the applicant; (ii) a complete description of the imported products for which the investigation is applied, including the product name, the exporting countries (regions) or countries (regions) of origin involved, known export operators or producers, price information of the products when consumed in the domestic market of the exporting countries (regions) or countries (regions) of origin, export price information, etc.; (iii) a description of the quantity and value of domestic production of similar products; (iv) the impact of the quantity and price of the imported products for which investigation is applied on the domestic industry; (v) other contents that the applicant considers necessary to explain. The application shall be accompanied by the following evidence: (i) the existence of dumping of the imported products for which investigation is applied; (ii) damage to the domestic industry; (iii) the existence of a causal relationship between dumping and damage. The Ministry of

Commerce shall, within 60 days from the date of receipt of the application and relevant evidence submitted by the applicant, review whether the application is submitted by or on behalf of the domestic industry, the content of the application, and the evidence attached, and decide whether to initiate an investigation or not. Before deciding to initiate an investigation, the relevant exporting country (region) government shall be notified. If the output of the domestic industry that supports or opposes the application accounts for more than 50% of the total output of the supporters and opponents, the application shall be deemed to be submitted by or on behalf of the domestic industry, and an anti-dumping investigation may be initiated; however, if the output of the domestic producers that support the application is less than 25% of the total output of similar domestic products, an anti-dumping investigation shall not be initiated.

Domestic industries or natural persons, legal persons or relevant organizations representing domestic industries (hereinafter referred to as applicants) may submit written applications for anti-subsidy investigations to the Ministry of Foreign Trade and Economic Cooperation in accordance with the provisions of the Anti-Subsidy Regulations of the People's Republic of China. The application shall include the following contents: (i) the name, address and relevant information of the applicant; (ii) a complete description of the imported products for which investigation is applied, including the product name, the exporting countries (regions) or countries (regions) of origin involved, known export operators or producers, etc.; (iii) a description of the quantity and value of domestic production of similar products; (iv) the impact of the quantity and price of the imported products for investigation on the domestic industry; (v) other contents that the applicant considers necessary to explain. The application shall be accompanied by the following evidence: (i) the existence of subsidies on the imported products for which investigation is applied; (ii) damage to the domestic industry; (iii) the causal relationship between the subsidy and the damage. The Ministry of Foreign Trade and Economic Cooperation shall, within 60 days from the date of receipt of the application and relevant evidence submitted by the applicant, review whether the application is submitted by or on behalf of the domestic industry, the content of the application and the evidence attached, and decide whether to initiate an investigation or not after consulting with the State Economic and Trade Commission. In special circumstances, the review period may be appropriately extended. Before deciding to initiate an investigation, an invitation for consultation on relevant subsidy matters shall be issued to the governments of countries (regions) where the products may be

investigated. If the output of the supporters in the domestic industry that expresses support for or opposition to the application accounts for more than 50% of the total output of the supporters and opponents, the application shall be deemed to be made by the domestic industry or on behalf of the domestic industry, and the anti-subsidy investigation may be initiated; however, if the output of the domestic producers that express support for the application is less than 25% of the total output of similar domestic products, the anti-subsidy investigation shall not be initiated.

Natural persons, legal persons, or other organizations related to domestic industries (hereinafter referred to as applicants) may submit written applications to the Ministry of Commerce for the adoption of safeguard

measures in accordance with the provisions of the Regulations of the People's Republic of China on Safeguard Measures. The Ministry of Commerce shall promptly review the applicant's application and decide whether to initiate an investigation or not. If the Ministry of Commerce has not received a written application for the adoption of safeguard measures, but there is sufficient evidence that the domestic industry has been damaged by the increase in the number of imported products, it may decide to initiate an investigation. The decision to initiate an investigation shall be announced by the Ministry of Commerce. The Ministry of Commerce shall promptly notify the World Trade Organization Safeguard Committee (hereinafter referred to as the Safeguard Committee) of the decision to initiate an investigation.

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