Provisions on the Administration of Foreign-Invested International Freight Forwarding Enterprises

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Chapter I — General Provisions

Article 1 — These Provisions are formulated in accordance with the Foreign Investment Law of the People’s Republic of China, the Regulations on the Administration of International Freight Forwarding, and other relevant laws and administrative regulations, for the purposes of regulating the establishment and business activities of foreign-invested international freight forwarding enterprises, promoting the healthy development of the international freight forwarding industry, and further opening up the logistics sector.

Article 2 — For the purposes of these Provisions, “foreign-invested international freight forwarding enterprises” means Sino-foreign equity joint ventures, Sino-foreign contractual joint ventures and wholly foreign-owned enterprises established within the territory of China by foreign investors, independently or jointly with Chinese investors, and engaged in international freight forwarding business.

Article 3 — The Ministry of Commerce (MOFCOM) and its authorized authorities shall be responsible for the examination, approval, supervision and administration of foreign-invested international freight forwarding enterprises.

Article 4 — Foreign-invested international freight forwarding enterprises shall comply with the laws and administrative regulations of the People’s Republic of China, shall operate in good faith, and shall accept the supervision and administration of the relevant authorities.

Chapter II — Establishment Conditions

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Article 5 — Foreign investors applying to establish a foreign-invested international freight forwarding enterprise shall meet the following conditions:

(1) Having at least three years of experience in international freight forwarding business;

(2) Having a business office and facilities appropriate to the business to be conducted;

(3) Having professional personnel appropriate to the business to be conducted;

(4) Having a stable source of customers and a certain scale of freight forwarding business; and

(5) Not having any record of major violations of laws or regulations.

Article 6 — Foreign investors applying to establish a foreign-invested international freight forwarding enterprise shall have a registered capital of not less than the minimum amount prescribed by the State for international freight forwarding enterprises.

Article 7 — A foreign-invested international freight forwarding enterprise applying to operate international express delivery business shall, in addition to meeting the conditions specified in Articles 5 and 6, also comply with the provisions of the State on the administration of the postal and express delivery industry.

Article 8 — A foreign-invested international freight forwarding enterprise applying to operate multimodal transport business shall meet the conditions prescribed by the State for multimodal transport operators.

Chapter III — Approval and Registration Procedures

Article 9 — When applying to establish a foreign-invested international freight forwarding enterprise, the applicant shall submit the following documents to the Ministry of Commerce or its authorized authority:

(1) A written application;

(2) The contract and articles of association of the enterprise (not required for a wholly foreign-owned enterprise);

(3) The project proposal and feasibility study report;

(4) The capital verification report or credit certificate of the foreign investor;

(5) A certificate of the legal establishment and registration status of the foreign investor;

(6) The curriculum vitae and identification documents of the members of the board of directors or the list of members of the joint management committee; and

(7) Other documents as required by the examination and approval authority.

Article 10 — The Ministry of Commerce or its authorized authority shall, within the statutory time limit, make a decision on whether to approve the application. Where the application is approved, an approval certificate for the foreign-invested enterprise shall be issued; where the application is not approved, the reasons shall be explained.

Article 11 — Upon obtaining the approval certificate, the foreign-invested international freight forwarding enterprise shall complete the registration formalities with the administrative authority for industry and commerce within the prescribed time limit. After completing the registration, it shall complete the filing formalities with the Ministry of Commerce or its authorized authority.

Article 12 — Where a foreign-invested international freight forwarding enterprise establishes a branch, it shall obtain approval from the original examination and approval authority and complete the registration formalities with the administrative authority for industry and commerce.

Chapter IV — Business Operation and Administration

Source: https://www.danyoungcpa.com/foreign-invested-international-freight-forwarding-enterprises-2005/

Article 13 — A foreign-invested international freight forwarding enterprise may engage in part or all of the following business:

(1) Booking space, warehousing and transshipment;

(2) Supervision of the loading and unloading of goods, container consolidation and deconsolidation, and LCL (less than container load) cargo services;

(3) Arranging customs declaration, inspection, quarantine and insurance for import and export goods;

(4) Arranging the inland transport and settlement of transport fees and miscellaneous charges for import and export goods;

(5) International express delivery of documents and parcels, excluding letters;

(6) International multimodal transport; and

(7) Consulting and other international freight forwarding services.

Article 14 — A foreign-invested international freight forwarding enterprise shall operate its business in accordance with the approved scope of business and shall have the necessary operating facilities, professional personnel and management systems.

Article 15 — A foreign-invested international freight forwarding enterprise shall keep complete business records, account books and vouchers, and shall submit its annual business report to the relevant authorities in accordance with the provisions.

Article 16 — A foreign-invested international freight forwarding enterprise shall, in accordance with the provisions of the State, open a special account for foreign exchange and handle matters such as foreign exchange settlement, sale and payment relating to international freight forwarding business.

Article 17 — A foreign-invested international freight forwarding enterprise shall not engage in international freight forwarding business beyond the approved scope of business, nor shall it transfer or lease its business qualification certificate to others.

Chapter V — Supplementary Provisions

Article 18 — These Provisions shall apply, by reference, to investors from the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region establishing international freight forwarding enterprises within the mainland territory.

Article 19 — The relevant provisions of the Closer Economic Partnership Arrangement (CEPA) between the Mainland and Hong Kong or Macao shall apply to investors from Hong Kong and Macao that enjoy more preferential treatment.

Article 20 — Where these Provisions are silent, the relevant laws, administrative regulations and rules shall apply.

Article 21 — The Ministry of Commerce shall be responsible for the interpretation of these Provisions.

Article 22 — These Provisions shall take effect on December 11, 2005. The previous Provisions on the Administration of Foreign-Invested International Freight Forwarding Enterprises shall be repealed simultaneously.

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