Provisions on the Administration of Foreign-Invested Road Transport Enterprises of the PRC

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Chapter I — General Provisions

Article 1 — These Provisions are formulated in accordance with the relevant laws and regulations on foreign-invested enterprises and the laws and regulations of the People's Republic of China on road transport, for the purpose of promoting the healthy development of the road transport industry, regulating the examination, approval, and administration of foreign-invested road transport enterprises, and further opening the road transport market to foreign investment.

Article 2 — For the purposes of these Provisions, a "foreign-invested road transport enterprise" refers to a Sino-foreign equity joint venture, Sino-foreign cooperative joint venture, or wholly foreign-owned enterprise established within the territory of the People's Republic of China by foreign investors in accordance with the law to engage in road transport business, including road passenger transport, road freight transport, road

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transport stations and yards, and motor vehicle maintenance businesses.

Article 3 — Foreign investors establishing foreign-invested road transport enterprises in China shall comply with the provisions of the state on foreign investment access and the relevant laws and regulations on road transport administration. The state shall encourage foreign investors to establish foreign-invested road transport enterprises that introduce advanced technology, equipment, and management experience.

Article 4 — The Ministry of Communications shall be in charge of the examination, approval, and administration of foreign-invested road transport enterprises nationwide. The communications authorities of provinces, autonomous regions, and municipalities directly under the Central Government shall be responsible for the preliminary examination of foreign-invested road transport enterprises within their respective administrative regions. The commerce authorities shall be responsible for the examination and approval of the establishment of foreign-invested road transport enterprises in accordance with their authority.

Chapter II — Establishment Conditions

Article 5 — Foreign investors establishing a foreign-invested road transport enterprise shall meet the following conditions: (1) the enterprise shall comply with the state's development plan for the road transport industry and the requirements for road transport enterprise qualifications; (2) the investors shall have sound financial standing and business reputation; (3) the investors shall have corresponding road transport operation and management experience; and (4) the registered capital shall meet the minimum amount prescribed by the state.

Article 6 — A foreign-invested road passenger transport enterprise shall additionally meet the following conditions: (1) possessing passenger vehicles and equipment that meet the prescribed technical standards; (2) possessing passenger transport drivers who have obtained the required qualifications; (3) possessing a sound safety production management system; and (4) other conditions prescribed by the state.

Article 7 — A foreign-invested road freight transport enterprise shall additionally meet the following conditions: (1) possessing freight vehicles and equipment that meet the prescribed technical standards; (2) possessing freight transport drivers who have obtained the required qualifications; (3) possessing a sound safety production management system; (4) possessing a business premises and parking lot that are commensurate with the scale of operations; and (5) other conditions prescribed by the state.

Article 8 — A foreign-invested international road freight transport enterprise shall additionally meet the following conditions: (1) the enterprise shall have experience in international road transport business; (2) the enterprise shall possess transport vehicles suitable for international road transport; (3) the drivers and other employees shall have the qualifications and experience for international road transport; (4) the enterprise shall have a sound international transport management system; and (5) other conditions prescribed by the state.

Article 9 — A foreign-invested road transport station or yard enterprise shall additionally meet the following conditions: (1) possessing station and yard facilities that meet the prescribed standards; (2) possessing corresponding professional and technical personnel and management personnel; (3) possessing a sound operation management system and safety management system; and (4) other conditions prescribed by the state.

Article 10 — A foreign-invested motor vehicle maintenance enterprise shall additionally meet the following conditions: (1) possessing maintenance equipment and facilities that meet the prescribed technical standards; (2) possessing maintenance technical personnel who have obtained the required qualifications; (3) possessing a sound maintenance quality management system; and (4) other conditions prescribed by the state.

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Chapter III — Examination and Approval

Article 11 — Investors establishing a foreign-invested road transport enterprise shall submit the application materials to the communications authority at or above the provincial level at the place of the proposed enterprise. The communications authority shall issue a preliminary examination opinion within 30 working days from the date of receipt of all the required application materials.

Article 12 — After obtaining the preliminary examination opinion, the investors shall submit the application materials together with the preliminary examination opinion to the commerce authority for examination and approval. The commerce authority shall decide whether to approve the establishment within the prescribed time limit from the date of receipt of all the required materials.

Article 13 — Where the commerce authority approves the establishment, it shall issue an Approval Certificate for a Foreign-Invested Enterprise. The investors shall apply for registration with the administration for industry and commerce within 30 days from the date of receipt of the Approval Certificate and obtain a business license.

Article 14 — After obtaining the business license, the foreign-invested road transport enterprise shall, in accordance with the relevant regulations, apply to the communications authority for a Road Transport Operation Permit and obtain corresponding transport operation qualifications. Without a Road Transport Operation Permit, the enterprise shall not engage in road transport business activities.

Chapter IV — Business Operation

Article 15 — A foreign-invested road transport enterprise shall conduct its business operations in accordance with the approved scope of business, transport operation qualifications, and relevant laws, regulations, and rules. The enterprise shall not engage in transport business activities beyond the approved scope of business or transport operation qualifications.

Article 16 — A foreign-invested road transport enterprise shall comply with state-prescribed transport rates and fee standards and shall not engage in unfair price competition.

Article 17 — A foreign-invested road transport enterprise shall establish a sound transport safety production responsibility system, strengthen transport safety management, and ensure transport safety.

Article 18 — A foreign-invested road transport enterprise shall purchase statutory insurance for its transport vehicles in accordance with the law and ensure that all transport vehicles meet the prescribed technical standards.

Article 19 — A foreign-invested road transport enterprise shall submit transport statistical reports and annual operation reports to the communications authority and the commerce authority on time.

Chapter V — Supervision

Article 20 — The communications authorities shall supervise and inspect the transport operation qualifications, transport safety, service quality, and other aspects of foreign-invested road transport enterprises in accordance with the law. The commerce authorities shall supervise and inspect the compliance of foreign-invested road transport enterprises with foreign investment laws and regulations in accordance with the law.

Article 21 — Where a foreign-invested road transport enterprise violates the provisions of these Provisions, the relevant authorities shall order it to make corrections and impose penalties in accordance with the law. Where the circumstances are serious, the Road Transport Operation Permit or the Approval Certificate may be revoked in accordance with the law.

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Article 22 — Where a foreign-invested road transport enterprise changes its registered matters, merges, or divides, it shall go through the examination, approval, and registration formalities in accordance with the law.

Article 23 — Where a foreign-invested road transport enterprise terminates its operations, it shall go through the relevant formalities in accordance with the law and submit a written report to the communications authority and the commerce authority.

Chapter VI — Supplementary Provisions

Article 24 — The establishment of road transport enterprises within the territory of China by investors from Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan Region shall be handled with reference to these Provisions.

Article 25 — Foreign-invested road transport enterprises established before the promulgation of these Provisions shall go through the relevant formalities in accordance with the provisions of these Provisions.

Article 26 — The Ministry of Communications and the Ministry of Commerce shall be responsible for the interpretation of these Provisions.

Article 27 — These Provisions shall come into force on November 20, 2001. The amendments shall come into force on January 19, 2006.

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