

Regulations on the Administration of Rare Earths

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Contents

Table of Contents	1
Chapter I — General Provisions	1
Chapter II — Mining and Smelting Separation	2
Chapter III — Circulation and Utilization	3
Chapter IV — Product Traceability	3
Chapter V — Import and Export	3
Chapter VI — Supervision and Inspection	4
Chapter VII — Legal Liability	4
Chapter VIII — Supplementary Provisions	5

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Table of Contents

- Chapter I — General Provisions
- Chapter II — Mining and Smelting Separation
- Chapter III — Circulation and Utilization
- Chapter IV — Product Traceability
- Chapter V — Import and Export
- Chapter VI — Supervision and Inspection
- Chapter VII — Legal Liability
- Chapter VIII — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Regulations are enacted for the purposes of regulating the comprehensive utilization and administration of rare earths, safeguarding the security of rare earth resources, promoting the high-quality development of the rare earth industry, and protecting the ecological environment and natural resources.

Article 2 — These Regulations apply to the mining, smelting separation, circulation, utilization, product traceability, and import and export of rare earths, as well as related supervisory and administrative activities,

within the territory of the People's Republic of China.

Article 3 — For the purposes of these Regulations, "rare earths" means the 17 elements of lanthanum, and yttrium and scandium.

Article 4 — The administration of rare earths shall implement the principles of unified planning, total volume control, rational layout, comprehensive utilization, and green development.

The State shall protect rare earth resources in accordance with law. No organization or individual may destroy or illegally exploit rare earth resources. The State shall implement protective mining of rare earth resources.

Article 5 — The department of industry and information technology under the State Council shall be responsible for the overall coordination and administration of the rare earth industry nationwide. The department of natural resources under the State Council and other relevant departments shall be responsible for the administration of rare earths within the scope of their respective functions and duties.

The relevant departments of local people's governments at or above the county level shall, in accordance with their respective functions and duties, be responsible for the administration of rare earths within their respective administrative areas.

Article 6 — The State encourages and supports scientific and technological research, product development, and the promotion and application of new technologies, new processes, new products, new materials, and new equipment in the rare earth industry, and continuously improves the level of comprehensive utilization of rare earth resources and environmental protection.

Chapter II — Mining and Smelting Separation

Article 7 — The State shall implement a total volume control system for rare earth mining and smelting separation. The department of industry and information technology under the State Council, together with the department of natural resources and other relevant departments under the State Council, shall determine the total volume control targets for rare earth mining and smelting separation and shall report them to the State Council for approval. No organization or individual may mine or smelt-separate rare earths without obtaining the corresponding total volume control targets.

Article 8 — The State shall implement a license management system for rare earth mining and smelting separation. Engaging in rare earth mining or smelting separation activities without a license is prohibited.

Rare earth mining enterprises shall obtain a mining license in accordance with law. Rare earth smelting separation enterprises shall be confirmed by the department of industry and information technology under the State Council and shall obtain the corresponding license.

Article 9 — Rare earth mining enterprises and rare earth smelting separation enterprises shall strictly comply with relevant State regulations on total volume control, comply with the requirements of laws and regulations on mineral resource protection, ecological environment protection, workplace safety, and cleaner production, and adopt advanced and applicable technologies and processes.

Article 10 — Rare earth mining enterprises and rare earth smelting separation enterprises shall establish traceability information systems for rare earth products, faithfully record the flow of rare earth products, and ensure that the recorded information is true, accurate and complete, in accordance with regulations jointly formulated by the department of industry and information technology under the State Council and other relevant departments under the State Council.

Article 11 — Rare earth mining enterprises and rare earth smelting separation enterprises shall strictly comply with State regulations on the comprehensive recovery of associated rare earth resources; where there are associated rare earth resources that meet the conditions for comprehensive recovery, they shall be

recovered together with the principal minerals.

Article 12 — Rare earth mining enterprises shall not mine rare earths beyond the approved mining area or beyond the approved mining capacity. Rare earth smelting separation enterprises shall not smelt-separate rare earths beyond the total volume control targets.

Chapter III — Circulation and Utilization

Article 13 — No organization or individual may purchase or process rare earth ore products from illegal mining. Rare earth smelting separation enterprises shall not purchase or process rare earth ore products from rare earth mining enterprises that do not hold a mining license or rare earth ore products from illegal mining.

Article 14 — No organization or individual may purchase or process rare earth products from illegal smelting separation. Rare earth metal production enterprises, rare earth permanent magnet material production enterprises, and rare earth catalytic material production enterprises shall not purchase rare earth products from enterprises engaging in rare earth smelting separation without a license.

Article 15 — The State encourages and supports enterprises to use secondary rare earth resources for the comprehensive recovery of rare earths. Enterprises engaging in the comprehensive recovery of rare earths using secondary rare earth resources shall comply with the requirements of total volume control targets for rare earth smelting separation, save resources, and protect the environment.

Article 16 — Enterprises engaging in rare earth storage shall register with the department of industry and information technology under the State Council. The department of industry and information technology under the State Council and other relevant departments under the State Council shall implement dynamic supervision of the storage activities of rare earths.

Article 17 — No organization or individual may engage in speculation or fraudulent trading of rare earths. Rare earth trading enterprises shall establish a purchase and sale ledger system and shall not purchase or sell rare earth products from illegal sources.

Chapter IV — Product Traceability

Article 18 — The State shall implement a traceability information system for rare earth products. Enterprises engaging in rare earth mining, smelting separation, metal production, comprehensive recovery, and circulation shall truthfully record information on the types, quantities, sources, destinations, and other relevant data of rare earth products, and input such information into the rare earth product traceability information system.

Article 19 — The department of industry and information technology under the State Council, together with other relevant departments under the State Council, shall establish a rare earth product traceability information system and implement dynamic monitoring of the mining, smelting separation, circulation, and import and export of rare earth products.

Article 20 — Rare earth product traceability information shall not be altered, concealed, or destroyed without authorization. Enterprises shall ensure the security of the traceability information and shall not disclose, tamper with, destroy, or sell the information.

Chapter V — Import and Export

Article 21 — The State implements import and export administration of rare earths in accordance with law. The import and export of rare earths shall comply with the provisions of relevant laws and regulations on foreign trade and customs, and with the requirements of these Regulations.

Article 22 — The State implements an export permit administration for rare earth products. Enterprises exporting rare earth products shall apply to the department of commerce under the State Council for an export permit in accordance with relevant State regulations.

The department of commerce under the State Council, together with the department of industry and information technology under the State Council and other relevant departments, shall determine the list of rare earth products subject to export permit administration.

Article 23 — Importers and exporters of rare earth products shall faithfully declare relevant information such as the types, quantities and prices of rare earth products to customs, and shall accept customs supervision in accordance with law.

Article 24 — Where rare earth products being exported are included in the list of rare earth products subject to export permit administration, customs shall handle clearance formalities upon verification of the export permit. The export of rare earth products for which an export permit has not been obtained or for which the export permit has expired shall not be permitted.

Article 25 — The State shall implement other import and export administration measures for rare earth products in accordance with the provisions of relevant laws and regulations on import and export goods administration.

Chapter VI — Supervision and Inspection

Article 26 — The departments of industry and information technology, natural resources, ecology and environment, commerce, emergency management, customs, and market regulation under the State Council, as well as other relevant departments, shall, in accordance with their respective functions and duties, strengthen the supervision and inspection of activities such as rare earth mining, smelting separation, circulation, utilization, and import and export, and shall investigate and deal with illegal acts in accordance with law.

Article 27 — When performing their supervision and inspection duties, relevant departments shall have the right to take the following measures:

- (1) Entering the business premises of enterprises engaging in rare earth-related activities for on-site inspection;
- (2) Questioning the investigated entity and relevant personnel, and requiring them to provide explanations on matters related to the supervision and inspection;
- (3) Consulting and copying contracts, invoices, account books, and other relevant materials;
- (4) Sealing or seizing places, facilities, equipment, raw materials, or products that are proven to be used for illegal rare earth activities;
- (5) Other measures prescribed by laws and administrative regulations.

Article 28 — Relevant departments shall share information on the administration of rare earths and establish an information-sharing mechanism to enhance regulatory effectiveness.

Article 29 — Any organization or individual shall have the right to report illegal acts related to rare earths. Relevant departments shall process reports in a timely manner in accordance with law and keep the identity of the reporter confidential.

Chapter VII — Legal Liability

Article 30 — Where rare earth mining enterprises mine rare earths without a mining license or beyond the approved mining area, or beyond the approved mining capacity, punishment shall be imposed in accordance with the provisions of the Mineral Resources Law of the People's Republic of China and other relevant laws

and administrative regulations.

Article 31 — Where enterprises engage in rare earth smelting separation without authorization, the department of industry and information technology shall order them to cease the illegal activities, confiscate the illegal gains and the illegally produced rare earth products and the raw materials, tools and equipment used for illegal production, and impose a fine of not less than five times but not more than ten times the illegal gains; where there are no illegal gains or the illegal gains are less than 100,000 yuan, a fine of not less than 500,000 yuan but not more than 1,000,000 yuan shall be imposed.

Article 32 — Where rare earth smelting separation enterprises produce beyond the total volume control targets, the department of industry and information technology shall order correction within a specified time limit and impose a fine of not less than five times but not more than ten times the illegal gains; where correction is refused, the enterprise shall be ordered to suspend production for rectification.

Article 33 — Where enterprises purchase or process rare earth ore products from illegal mining, or purchase rare earth products from enterprises engaging in rare earth smelting separation without a license, the department of industry and information technology shall order correction, confiscate the illegal gains and the illegally purchased or processed rare earth products, and impose a fine of not less than five times but not more than ten times the illegal gains; where there are no illegal gains or the illegal gains are less than 100,000 yuan, a fine of not less than 500,000 yuan but not more than 1,000,000 yuan shall be imposed.

Article 34 — Where enterprises fail to establish or input rare earth product traceability information as required, or fail to establish a purchase and sale ledger, the department of industry and information technology shall order correction within a specified time limit; where correction is not made within the time limit, a fine of not less than 50,000 yuan but not more than 200,000 yuan shall be imposed.

Article 35 — Where enterprises export rare earth products without obtaining an export permit, the department of commerce shall impose punishment in accordance with the provisions of the Foreign Trade Law of the People's Republic of China and other relevant laws and administrative regulations.

Article 36 — Where violations of the provisions of these Regulations constitute a crime, criminal liability shall be pursued in accordance with law.

Article 37 — Where staff members of relevant government departments fail to perform or improperly perform their duties of administration and supervision of rare earths in accordance with law, disciplinary sanctions shall be imposed in accordance with law; where a crime is constituted, criminal liability shall be pursued in accordance with law.

Chapter VIII — Supplementary Provisions

Article 38 — The administration of rare earths relating to national defense and security shall be separately stipulated by the State Council and the Central Military Commission.

Article 39 — These Regulations shall come into effect on October 1, 2024.

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