Regulations of the PRC on the Administration of the Export of Military Products

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Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purpose of strengthening the unified administration of the export of military products and maintaining normal order in the export of military products.

Article 2 — For the purposes of these Regulations, “export of military products” means the commercial export of equipment used for military purposes, special production equipment, and other materials, technologies, and related services. The export of military products referred to in the preceding paragraph shall be included in the military products export administration list. The military products export administration list shall be formulated, adjusted, and published by the competent department of the State for the export of military products.

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Article 3 — The competent department of the State for the export of military products shall, under the leadership of the State Council and the Central Military Commission, be in charge of the export of military products throughout the country and shall exercise supervision and administration over the export of military products throughout the country.

Article 4 — The State implements a unified system for the administration of the export of military products, prohibits any export of military products that harms the interests and security of the State, and safeguards normal order in the export of military products in accordance with law.

Article 5 — The export of military products shall follow the following principles: (1) it shall be conducive to the recipient country's legitimate self-defense capability; (2) it shall not impair the peace, security, and stability of the region concerned or of the world; and (3) it shall not interfere in the internal affairs of the recipient country.

Article 6 — Where international treaties concluded or acceded to by the People's Republic of China provide otherwise in relation to these Regulations, the provisions of the international treaties shall apply, except for the provisions in respect of which the People's Republic of China has declared reservations.

Chapter II — Military Products Trading Companies

Article 7 — For the purposes of these Regulations, "military products trading company" means an enterprise legal person that has lawfully obtained the right to export military products and engages in the business of exporting military products within its approved scope of business.

Article 8 — The right to export military products shall be examined and approved by the competent department of the State for the export of military products. The specific measures shall be prescribed by the competent department of the State for the export of military products.

Article 9 — A military products trading company shall operate independently and be responsible for its own profits and losses in accordance with law.

Article 10 — A military products trading company shall honor its contracts, guarantee the quality of its products, and improve its after-sales service.

Article 11 — A military products trading company shall, in accordance with the provisions of the competent department of the State for the export of military products, truthfully submit the documents and materials relating to its business of exporting military products. The competent department of the State for the export of military products shall keep the commercial secrets of military products trading companies confidential and safeguard the lawful rights and interests of military products trading companies.

Article 12 — A military products trading company may entrust an approved transport enterprise for the export of military products to handle the transport of military products and related business. The specific measures shall be prescribed by the competent department of the State for the export of military products.

Chapter III — Administration of Military Products Export

Article 13 — The State implements a licensing system for the export of military products. Military products export projects and contracts shall be submitted for examination and approval in accordance with the provisions of these Regulations. The export of military products shall be carried out on the strength of a military products export license.

Article 14 — A military products export project shall be examined and approved by the competent department of the State for the export of military products, or by the competent department of the State for the export of military products jointly with the relevant departments of the State Council and the Central Military Commission.

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Article 15 — After a military products export project has been approved, the military products trading company may conclude a military products export contract with a foreign party. After the military products export contract has been concluded, it shall be submitted to the competent department of the State for the export of military products for examination and approval; the competent department of the State for the export of military products shall make a decision within 20 days from the date of receipt of the application. A military products export contract shall become effective only after it has been approved. When a military products trading company applies to the competent department of the State for the export of military products for approval of a military products export contract, it shall attach the valid certifying documents of the recipient country.

Article 16 — Major military products export projects and contracts shall be examined by the competent department of the State for the export of military products jointly with the relevant departments of the State Council and the Central Military Commission, and shall be submitted to the State Council and the Central Military Commission for approval.

Article 17 — Before exporting military products, a military products trading company shall, on the strength of the approval documents for the military products export contract, apply to the competent department of the State for the export of military products for a military products export license; where the application conforms to the provisions of the military products export contract, the competent department of the State for the export of military products shall issue the military products export license within 10 days from the date of receipt of the application. Customs shall accept the declaration on the strength of the military products export license and shall release the goods upon inspection in accordance with the relevant provisions of the State.

Article 18 — The measures for the examination and approval of military products export projects and contracts and the measures for the issuance of military products export licenses shall be formulated by the competent department of the State for the export of military products.

Article 19 — For the export of military products, a military products export notice shall be issued by the competent department of the State for the export of military products jointly with the relevant departments. After receiving the military products export notice, the relevant departments and the local people's governments shall perform their duties diligently in accordance with the relevant provisions of the State and ensure the safe, prompt, and accurate export of military products.

Chapter IV — Order of Military Products Export

Article 20 — No unit or organization that has not obtained the right to export military products may engage in the business of exporting military products. The State prohibits individuals from engaging in the business of exporting military products.

Article 21 — In its business of exporting military products, a military products trading company shall comply with the provisions of laws and administrative regulations and maintain normal order in the export of military products.

Article 22 — In its business of exporting military products, a military products trading company shall not: (1) endanger State security or the public interests of society; (2) oust competitors by means of unfair competition; (3) infringe upon intellectual property rights protected by the laws of the People's Republic of China; (4) forge, alter, fraudulently obtain, or transfer such documents as military products export project approval documents, contract approval documents, licenses, and valid certifying documents of the recipient country; (5) operate beyond its approved scope of business; or (6) commit other acts in violation of laws and administrative regulations.

Article 23 — Where the competent department of the State for the export of military products deems it necessary, or upon the request of a military products trading company, it may deal with acts that impede the normal order of the export of military products.

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Chapter V — Legal Liability

Article 24 — Where a military products trading company violates the provisions of Article 11 of these Regulations, the competent department of the State for the export of military products shall order it to make corrections within a specified time limit and give it a warning; where it fails to make corrections within the time limit, it shall be fined not less than RMB 20,000 yuan but not more than RMB 100,000 yuan, and its right to export military products shall be suspended or even revoked.

Article 25 — Where a military products trading company violates the provisions of item (4) or item (5) of Article 22 of these Regulations, and the case constitutes a crime, it shall be investigated for criminal liability in accordance with the provisions of the Criminal Law on the crime of illegal business operations, the crime of forging, altering, buying, or selling official documents, certificates, or seals of State organs, or other crimes; where the case is not serious enough to constitute criminal punishment, the competent department of the State for the export of military products shall give it a warning, confiscate its illegal gains, and impose on it a fine of not less than one time but not more than three times the illegal gains; where there are no illegal gains or the illegal gains are less than RMB 100,000 yuan, it shall be fined not less than RMB 100,000 yuan but not more than RMB 300,000 yuan, and its right to export military products shall be suspended or even revoked. Where a military products trading company violates the provisions of item (1), item (2), or item (3) of Article 22 of these Regulations or other laws or administrative regulations, it shall be punished by the relevant competent department of the State in accordance with the provisions of the relevant laws and administrative regulations, and the competent department of the State for the export of military products may also suspend or even revoke its right to export military products; where the case constitutes a crime, it shall be investigated for criminal liability in accordance with the relevant provisions of the Criminal Law.

Article 26 — Where a person violates the provisions of Article 20 of these Regulations, the competent department of the State for the export of military products shall ban the illegal activities; where the case constitutes a crime, it shall be investigated for criminal liability in accordance with the provisions of the Criminal Law on the crime of illegal business operations or other crimes; where the case is not serious enough to constitute criminal punishment, the competent department of the State for the export of military products shall give a warning, confiscate the illegal gains, and impose a fine of not less than one time but not more than five times the illegal gains; where there are no illegal gains or the illegal gains are less than RMB 100,000 yuan, a fine of not less than RMB 100,000 yuan but not more than RMB 500,000 yuan shall be imposed.

Article 27 — Where a military products trading company refuses to accept a specific administrative act taken by the competent department of the State for the export of military products, it shall first apply for administrative reconsideration in accordance with law; where it still refuses to accept the administrative reconsideration decision, it may institute an administrative lawsuit in a people’s court in accordance with law.

Article 28 — Where a staff member engaged in the administration of the export of military products abuses his or her power, neglects his or her duties, or takes advantage of his or her position to accept or extort money or property from others, and the case constitutes a crime, he or she shall be investigated for criminal liability in accordance with the provisions of the Criminal Law on the crime of abuse of power, the crime of neglect of duty, the crime of acceptance of bribes, or other crimes; where the case is not serious enough to constitute criminal punishment, he or she shall be given an administrative sanction in accordance with law.

Chapter VI — Supplementary Provisions

Article 29 — These Regulations shall apply to the export of police equipment.

Article 30 — These Regulations shall come into force on January 1, 1998.

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