

## The Opinions on Promoting the Development of Advanced Logistics in China

It's essential to development of advanced logistics, which is a requirement of economic globalization and joining in WTO. Development of advanced logistics is very important to promote quality of economic and efficiency, perfect resource, improve environment of investment, enforce comprehensive competition. To further promote advanced logistics, we shall set up a rapid, economical, socialization and professional advanced logistics service system. The opinions are promulgate by National development and reform commission, ministry of commerce of the people's republic of China, public security department, ministry of communications, ministry of railway, customs head office, taxation head bureau, civil aviation bureau, industry and business bureau.

### I. Construct a harmonious environment for development of advanced logistics

#### 1. adjust current administrative management

(1) standard for enterprises pre-approval. Except for the pre-approval be stipulated by law and administrative regulations and relevant regulation by state council, industry and commerce shall cancel the other pre-approval, when logistic enterprises register.

(2) reform the administrative management of forwarding agent. Cancel the pre-approval for railway Freight Transport agent, river transportation agent and combined transport agent, strengthen the examination and supervision for the qualification and activities of forwarding agent. Cancel the approval for qualification of international forwarding agent, and strengthen the following supervision and management. Reform the approval system for civil aviation transportation agent, which is made by civil aviation head bureau and other administrative related. For dangerous and special goods transportation agent shall be handled restrictedly as national regulations.

### II. perfect the taxation of logistic enterprises

1. Confirm the business tax base reasonably. For income of logistic enterprises deriving from subcontracting transportation and warehouse, the balance to be deducted the expenses is business tax base. Specific procedure is made by national taxation bureau.

2. Logistic enterprises meeting requirements many pay the income tax to be allowed. The branch is located within the province, autonomous regions, and municipality, which are unified controlled and calculated under the headquarters, without bank accounts, financial statements or accounting books. And they are managed through connecting with the headquarters, the income tax from which shall be paid together with headquarters.

### III. Rectify the market order, and strengthen the charge management

[Accelerate](#) the pace to introduce the competent mechanism, and build a united, opening, fairly competed and ordered advanced logistics. Abandon the illegal regular of area close, industry monopoly and market division, and create loose exterior environment for logistic enterprises.

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In order to promote the healthy and opening development of international trade and advanced logistic industry, hereby partly develop the experimental work for foreign-funded logistic in mainland. To confirm the conditions and procedures, hereby inform the notice on establishment of foreign-funded logistic enterprises:

1. The foreign-funded logistic enterprises may, which are Chinese-Foreign Joint Ventures, or Chinese-foreign contractual joint ventures, choose the combination in the process of transportation, warehouse, loading and unloading, processing, package, distribution, information treatment and export & import, shaping a compared completely supply chain, to provide Multi-Entirety service. (hereinafter: foreign-funded logistic enterprises)
2. Permit foreign investors to manage the international circulated logistic, the third party logistics
3. the investors who apply for establishment of foreign-funded logistic enterprises shall meet following requirements:
  - (1) For the investors engaging in international circulated logistics of foreign-funded logistic enterprises to be established, one party above shall have good performance and operation experience of international trade, international transportation or international cargo transportation agent, the one who meet requirements above shall be the largest shareholder among the Chinese investors or foreign investors.
  - (2) For the investors engaging in the third party logistics of foreign-funded logistic enterprises to be established, one party above shall have good performance and operation experience of transportation or logistic, the one who meet requirements above shall be the largest shareholder among the Chinese investors or foreign investors.
4. foreign-funded logistic enterprises to be established shall meet the following requirements:
  - (1) The registered capital is more than 5 million dollar
  - (2) In the foreign-funded logistic enterprises engaging in international circulation logistic, the proportion of foreign investors is no more than 50%.

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