

China Relaxes Market Access Conditions and Scope of Business for Wholly Foreign-owned Shipping Companies

The Circular Strengthening the Administration of the Wholly Foreign-owned Shipping Companies Examination and Approval was issued by The Ministry of Transport (“MOT”) On August 22, 2011.

The Circular relaxes the access conditions and scope of business for Wholly Foreign-owned Shipping Companies (“WFOSCs”). A comparison of the key provisions of the old 2000 procedure and the new 2011 procedure is set out below.

Note: The Ministry of Foreign Trade and Economic Cooperation (“MOFTEC”) is now Ministry of Commerce (“MOC”) and the Ministry of Communication is now Ministry of Transport (“MOT”)

Old Rules: Administration of the Examination and Approval of Wholly Foreign-owned Shipping Companies Tentative Procedures jointly issued by Ministry of Foreign Trade and Economic Cooperation and Ministry of Communication on Jan.28, 2000 *

New Rules: The Circular of Strengthening the Administration of the Wholly Foreign-owned Shipping Companies Examination and Approval issued by Ministry of Transport on Aug. 22, 2011

Key Points:

- WFOSC can now establish a subsidiary without the need to operate a representative office first.
- WFOSC can now establish a branch without the need to first open representative office.
- Business scope has been enlarged to include carriage service of passengers.
- Application documents can be submitted to both province and Beijing ministries to shorten approval process.

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