

# **Implementation Guidelines of the Interim Regulations on Beijing Passenger Vehicle Quantity Control**

## **Part I General Provisions**

Article 1 The Guidelines are developed in accordance with the Interim Regulations on Beijing Passenger Vehicle Quantity Control with a view to achieving a reasonable and orderly increase in the number of passenger cars, effectively alleviating traffic congestion, reducing energy consumption and environmental pollution.

Article 2 This Municipality implements a system that seeks to regulate the quantity and manage the quota of passenger cars.

The annual increase in the number of passenger cars and the allocation ratio shall be determined by the municipal transport administration in partnership with the relevant administrative bodies of city development and reform, public security and transportation, and environmental protection based on demand, road traffic and environmental capacity and made public upon approval by the municipal government. Relevant government departments should meet the city's annual control targets for passenger cars.

Article 3 Pursuant to the principles of openness, fairness, and impartiality, government agencies, enterprises and public sector

institutions, private sector associations, and other organizations (hereinafter collectively referred to as institutions) and individuals in need of the city's passenger car license plate quota (hereinafter referred to as quota) shall undergo a free-of-charge prize-draw style process.

This Municipality's government agencies and fully publicly funded institutions will add no new quota for official vehicles.

For-profit passenger car quota shall be allocated separately, following rules to be formulated.

Article 4 The municipal transport administration shall be responsible for the overall coordination of the passenger car quantity regulation, and shall organize the implementation of policies and measures for such regulation.

Public security, state/local taxation, civil administration, justice, finance, labor and social security, business, industry and commerce, quality supervision and other government agencies and district (county) governments shall exercise proper delegation and administration duties in accordance with the regulations. The supervisory department shall be responsible for the supervision and inspection of the performance of various administrative bodies.

The municipal passenger car quota regulation administration (hereinafter referred to as the administration) shall be responsible for the collection of applications, release of review results, organization and announcement of the prize-draw.

Article 5 The quotas are determined on an annual basis and shall not be carried over.

Quotas shall be allocated once a month for individuals and every two months for institutions; quotas that have not been allocated shall be allocated in the next instance.

Article 6 Individual quotas shall account for 88% of the annual total, for-profit passenger car quotas account for 2% of the annual total and institution quotas shall account for 10% of the annual total.

## Part II: Application and Review

Article 7 Institutions and individuals shall apply for quotas as follows:

- (1) file an application and obtain an application code;
- (2) upon passing the review, confirm the application code to be valid and become eligible for the prize-draw;
- (3) obtain a code for the quota.

Article 8: The following institutions shall meet the following conditions when applying:

(1) The business entity has a valid business license (or industrial and commercial registration certificate), organization code certificate and tax registration certificate, and has paid more than 50,000 yuan (inclusive) in VAT and business tax in this city in the previous year;

(2) public sector institutions, private sector entities and other organizations that are not fully publicly funded and have valid organization code certificates.

Article 9 The number of application codes for the following institutions shall be determined in accordance with the rules as follows:

(1) A business entity may apply for one code per year if the total VAT and business tax paid in the previous year were more than 50,000 yuan (inclusive), and for an additional one code for every 500,000 yuan increased payments, but the total number of annual application codes is capped at 8.

(2) public sector institutions, private sector entities and other organizations that are not fully publicly funded may apply for one code each year.

Article 10 An individual may apply for a quota if one is a resident in this city, with no passenger cars in their name registered in this city, holds a valid driver's license. Individuals who is a resident in this city include:

(1) Persons with household registration in this Municipality.

(2) Active servicemen and active armed police based in Beijing.

(3) Residents of Hong Kong, Macao and Taiwan, Chinese expatriates and foreign nationals who have a valid ID and have resided in Beijing for more than one year.

(4) Non-local residents holding a valid Beijing Work and Residence Permit.

(5) persons without household registration in this city but hold a valid temporary residence permit and have paid social security and personal income tax in this city for more than five consecutive years (inclusive).

For individual merchants, the rules for individual applicants shall apply.

Article 11 Institution and individual applicants may fill in the application form directly on the designated website, or file their application with the district (county) government.

Article 12 The quota administration body shall be responsible for collecting the applications received, and send unreviewed applicant information to public security, labor and social security, quality supervision, state and local taxation and other relevant agencies by the 8th of each month for review.

The municipal public security bureau's population administrative body shall be responsible for reviewing personal identity information; its immigration administration shall be responsible for reviewing the ID information and Beijing residence information of residents of Hong Kong, Macao and Taiwan, Chinese expatriates and foreign nationals; its transport administration shall be responsible for reviewing information on vehicle and individual driver's license; the state and local tax administrations shall be responsible for reviewing tax payment information; the quality supervision department shall be responsible for reviewing organization code information; and the labor and social security department shall be responsible for reviewing information on Beijing Work and Residence Permits held by individuals without the city's household registration and their payment of social security contributions.

Relevant reviewer bodies of this municipality shall complete the review within 8 business days from receiving the applicant's information, and report the review results to the quota administrative body.

If the reviewer agency requires the assistance of its supervisory bodies in reviewing the applicant's information, the time spent by such supervisory body will not be counted towards the time limit set for such review, as set forth in the preceding clause.

### Part III Obtainment and Use of Quota

Article 13 (1) The quota administrative body shall publish valid codes in batches on designated websites on a month basis.

The reasons for any code determined to be invalid shall be given on the designated website. If the applicant has any objection to the review results, an appeal for reconsideration may be submitted to the relevant review agency. If the review is qualified, the review agency will report back to the quota administrative body, whom will incorporate the quota as part of the base number for the subsequent prize draw.

Article 14 The prize draw will be held on the 26th of each month, duly notarized by the notary. The results and the confirmation notice of the passenger car quota allocation will be published on the designated

website. The quota administrative body shall give prior announcements of any changes to the time or location of the prize draw.

Article 15 The applicant may make check the results via the designated website or by telephone. The applicant may download and print out the notification letter or collect a copy from the quota administrative body as proof of quota.

The valid codes of institutions and individuals failing to obtain the quota shall be carried over into the candidate pool for next prize draw.

The code for institutions shall be valid until December 31 of then current year, and a reapplication shall be required upon expiry.

If the applicant voluntarily applies for withdrawal from the prize draw, its effective code is deleted from the database.

Article 16 Institutions and individuals shall register their vehicle within 6 months from the date of obtaining the quota otherwise it shall be deemed automatic waiver of the same.

Institutions and individuals shall produce a true and valid passenger vehicle quota confirmation notice when effecting procedures for vehicle purchase tax, transfer of purchase tax files, verification of used car sales invoices, and vehicle gifting and notarization.

For vehicle purchase tax payment certificates, tax exemption certificates issued by state taxation agencies or purchase tax file transfer procedures for vehicles transferred to this city, or used car sales invoices verified by the industrial and trade department, and vehicle gifting and notarization by notaries, the passenger car quota confirmation notice shall be checked and verified, with the legend of "quota obtained" affixed on the back of relevant certificates.

When institutions and individuals apply for passenger car registration, transfer registration, and incoming relocation registration, the traffic administration of public security shall verify the tax payment certificate or tax exemption certificate for vehicle purchase tax, used vehicle sales invoices, vehicle gifting and notary certificates, and other documents subject to verification.

Article 17 If an institution or individual requires a passenger car replacement quota after selling or writing off the passenger car in their name (hereinafter referred to as the replacement quota), the prize draw process will not be necessary, and the confirmation notice of the replacement quota may be used as proof documents, and vehicle registration shall be completed within 6 months from the date of obtaining the replacement quota, otherwise it shall be deemed automatic waiver thereof.

The quota administrative body shall, based on the information provided by the traffic administration of public security on the transfer of passenger cars sold or written off, and cancellation of registration, verify the application details of the applicant, and issue a confirmation notice for passenger car replacement quota on the designated website upon review.

Specific procedures and requirements shall be subject to the relevant provisions of the Guidelines.

#### Part IV Supervision and Administration

Article 18 (1) The government bodies undertaking the review of application information and quota certification verification shall, in accordance with the division of labor and actual circumstances, draw up their own review standards, work procedures and operating guides, and perform their duties effectively. Any personnel failing to perform the verification duties as required shall be held accountable to the extent of the law.

Article 19: Any institution or individual shall have the right to monitor and report the applicant for obtaining and using the quota through improper means, dereliction of official duties or malfeasance by government agencies and personnel. The quota administrative body,

the reviewer agencies and supervisory bodies shall make public the whistleblower telephone number, timely receive calls and duly perform their supervision duties.

Article 20 For the provision of falsified information or materials, counterfeiting or alteration of passenger car (replacement) quota confirmation notice, the reviewer bodies shall report to the quota administrative body upon verification, whom shall rescind the application eligibility of the applicant, withdraw any quota obtained, and suspend any new application by the applicant for three years.

#### Part V Additional Provisions

#### Article 21 Definition

- (1) passenger car includes small and micro passenger cars and other models subject to the regulation and control as announced by the municipal people's government.
- (2) for-profit passenger car refers to those registered for the use as "taxi", "rental passenger transportation" and "coach" in the "motor vehicle driving permit".
- (3) valid motor vehicle driving permit refers to a driving license issued by the traffic administrative body of public security, indicating the qualification to drive passenger vehicles.

Article 22 The Guidelines do not apply to registered passenger cars that are subject to title transfers pursuant to court judgments, rulings, marriage or inheritance. Transfer registration shall be effected in accordance with law.

The Guidelines do not apply if, prior to the implementation of the Guidelines, the vehicle seller has signed a pre-sale contract with the buyer, collected a reservation fee, and filed with commerce authorities within the set timeframe.

The Guidelines do not apply if, prior to the implementation of the Guidelines, an application has been filed to the relevant authorities with respect to imported vehicles brought by overseas personnel.

Article 23 The Guidelines shall come into effect on the date of promulgation, and the quota administrative body shall begin accepting applications from January 1, 2011.

Beijing Communications Commission

Beijing Public Security Bureau

Beijing Municipal Development and Reform Commission

Beijing Supervision Bureau

Beijing Civil Affairs Bureau

Beijing Justice Bureau

Beijing Finance Bureau

Beijing Human Resources and Social Security Bureau

Beijing Environmental Protection Bureau

Beijing Municipal Commission of Commerce

Beijing State Taxation Bureau

Beijing Local Taxation Bureau

Beijing Administration for Industry and Commerce

Beijing Municipal Bureau of Quality and Technical Supervision

December 23, 2010