

COMMUNICATION FROM CANADA

Transitional Review Mechanism Pursuant to Paragraph 18 of the Protocol of
Accession of the People's Republic of China ("China")

The following communication, dated 26 November 2008, from the delegation of Canada is being circulated to the Members of the Council for Trade in Services.

Questions from Canada to China

Regulatory Transparency

1. Under China's Accession Protocol (See Section 2. Administration of the Trade Regime (C) Transparency, paragraph 2), China commits to "establish or designate an official journal dedicated to the publication of all laws, regulations and other measures pertaining to or affecting trade in goods, services, TRIPS or the control of foreign exchange and, after publication of its laws, regulations or other measures in such journal, shall provide a reasonable period for comment to the appropriate authorities before such measures are implemented..." Canada understands the designated journal comes in the form of the MOFCOM online gazette on the MOFCOM website: <http://www.mofcom.gov.cn/aarticle/b/g/200801/20080105335919.html>.
2. Canada notes, however, that not all laws can be found in this website. For example, China's draft Postal Law is found not on the online gazette but rather on the site of the National People's Congress. This means that there is no single location where interested parties can be assured of finding all laws and regulations pertaining to or affecting trade in services. This may make it difficult to provide comment on the measures that are being developed within the prescribed comment period. Furthermore, unless Members or their service suppliers know where to look, using multiple sources may make it difficult for them to find the information in the first place.
3. In 2007 MOFCOM launched a website for its annual report *China Trade in Services* (<http://tradeinservices.mofcom.gov.cn>), where it posts service-related policies, statistics, events, and other information on a regular basis. This is a useful search tool, but it still does not provide a substantive collection of information on trade in services. There is also the difficulty of obtaining complete English translations as the English website has even less content.
4. Canada would appreciate an indication of what China intends to do to improve transparency and, in particular, to address these concerns.

Telecommunications

5. The Ministry of Industry and Information Technology (MIIT), the body that regulates telecommunications in China, has recently undergone restructuring. Please describe the measures in place to ensure the MIIT is separate from, and not accountable to, any supplier of basic telecommunications services, as committed to in the Telecommunications Reference Paper.

6. Please provide an update on the progress of the drafting of the telecommunications law and provide any projected timelines on when it will be implemented.

7. The revised Regulations of Foreign-funded Telecommunications Enterprises sets minimum registered capital requirement for value-added service providers at RMB 10 million. Please explain why this level of capital requirement is necessary.
