

**NOTIFICATION OF LAWS AND REGULATIONS UNDER
ARTICLES 18.5 AND 32.6 OF THE AGREEMENTS**

Questions Posed by the SEPARATE CUSTOMS TERRITORY OF TAIWAN,
PENGHU, KINMEN AND MATSU Regarding
the Notification of THE PEOPLE'S REPUBLIC OF CHINA¹

The following communication, dated 21 October 2002, has been received from the Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

Questions with regard to China's Transitional Review Mechanism (TRM) on Subsidies and Countervailing Measures

1. Article 4

1. Please explain what is the difference between, in Item (1), "the subsidy received by certain enterprises or industries explicitly specified by the government of an exporting country (region)" and, in Item (2) "the subsidy received by certain enterprises or industries explicitly provided for in laws and regulations of an exporting country (region)" of paragraph 2, Article 4?

2. Shall the factors exemplified in the third paragraph (such as 'the number of subsidized enterprises, the amount, proportion, length of time, and form of the subsidy received by enterprises') **also** be considered, when a subsidy has already been determined as being specific according to the five circumstances set forth in paragraph 2?

2. Article 6

According to Article 14(a) of the SCM Agreement, government provision of equity capital shall not be considered as conferring a benefit. Please explain how the amount of subsidy in form of an equity infusion "shall be calculated on the basis of the actual amount of the capital an enterprise received", as set forth in Item (4), so as to be in conformity with the regulation above-mentioned?

3. Article 13

Please explain what the "natural person on behalf of the domestic industry" refers to? Must the natural person be a producer of a domestic industry? And, does the natural person have to provide the information on its domestic production and on the injury alleged?

¹ G/SCM/N/1/CHN/1

4. Article 22

Please advise how the investigating authorities shall act when they consider that a request for confidentiality is not justifiable?

5. Article 28

Can a countervailing investigation on a country (region) or some countries (regions) be terminated according to the circumstances set forth in Items (1) and (6)?

6. Article 54

What are the circumstances that shall be determined as constituting circumvention of countervailing measures? What are the appropriate measures that may be taken by MOFTEC and SETC to prevent the circumvention?

7. Article 55

What are the procedures and methods that will be followed and adopted when taking corresponding measures against any country (region) which discriminatorily imposes countervailing measures on exports from the People's Republic of China?
