

WORLD TRADE ORGANIZATION

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Committee on Balance-of-Payments Restrictions

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COMMUNICATION FROM THE UNITED STATES

The following communication, dated 11 September 2002, has been received from the Permanent Mission of the United States.

TRANSITIONAL REVIEW MECHANISM PURSUANT TO PARAGRAPH 18 OF THE PROTOCOL ON THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

Questions from the United States to China on Foreign Exchange and Payments

Giving market participants greater freedom in handling foreign exchange and hedging risk is among a number of measures needed to allow for trading to develop and for exchange flexibility to be used by traders and market participants. There have been encouraging signs recently that the State Administration of Foreign Exchange is allowing for greater flexibility in allowing some additional banks to conduct foreign exchange business.

- What steps have been taken thus far and what additional measures are planned?
 - Are there any plans to reduce mandatory surrender requirements or to eliminate them entirely?
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