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## LAWS AND REGULATIONS

### PROMULGATED TO GIVE EFFECT TO THE PROVISIONS OF THE INTERNATIONAL TREATIES ON NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

*In accordance with the relevant articles of the international treaties on narcotic drugs and psychotropic substances,  
the Secretary-General has the honour to communicate the following legislative text / texts*

### PEOPLE'S REPUBLIC OF CHINA

Communicated by the Government of People's Republic of China

#### NOTE BY THE SECRETARIAT

- (a) Some editing of texts may be done by the Secretariat in the interest of clarity. In this connection, words in square brackets [ ] have been added or changed by the Secretariat.
- (b) Only passages directly relevant to the control of narcotic drugs or psychotropic substances have been reproduced in this document. Non-relevant parts of laws and regulations have been deleted by the Secretariat; such deletions are indicated by [...].

### REGULATIONS ON ADMINISTRATION OF PRECURSOR CHEMICALS

\*Note by the Secretariat: These documents are a direct reproduction of the text / texts communicated to the Secretariat.



## **Regulations on Administration of Precursor Chemicals**

(Adopted at the 102<sup>nd</sup> Executive Meeting of the State Council on August 17, 2005, promulgated by Decree No. 445 of the State Council of the People's Republic of China on August 26, 2005, and effective as of November 1, 2005)

### **Chapter I General Provisions**

**Article 1** These Regulations are formulated for the purpose of reinforcing the administration of precursor chemicals, regulating the manufacture, distribution, purchase, transport, import and export of precursor chemicals, preventing them from being used for making illicit drugs, and maintaining the economic and social order.

**Article 2** The State applies a classified administration and licensing system to the manufacture, distribution, purchase, transport, import and export of precursor chemicals.

Precursor chemicals are classified into three categories. Precursor chemicals in Category I are the main materials that can be used for making illicit drugs, and precursor chemicals in Category II and Category III are chemical agents that can be used for making illicit drugs. The detailed classification and types of precursor chemicals are listed in the Table annexed to these Regulations.

Where there is a need to adjust the classification or types of precursor chemicals, the public security department of the State Council shall, jointly with the food and drug administration department, the work safety administration department, the competent commerce department, the competent health department of the State Council, and the General Administration of Customs, put forward a proposal therefore and report the same to the State Council for approval.

When deeming it necessary to adjust the classification or add types of the precursor chemicals other than the ones specified in these Regulations within its administrative area, the people's government of the province, autonomous region or municipality directly under the Central Government shall propose as such to the public security department of the State Council, which shall, jointly with the relevant competent administrative departments of the State Council, put forward a proposal therefore and report the same to the State Council for approval.

**Article 3** The public security department, the food and drug administration department, the work safety administration department, the competent commerce department, the competent health department, the General Administration of Customs, the competent pricing department, the competent railway department, the competent communications department, the administrative department for industry and commerce and the competent environmental protection department of the State Council shall, in accordance with their respective functions and duties, be responsible for the relevant administration of precursor chemicals throughout the country; and the relevant competent administrative departments of local people's governments at or above the county level shall, in accordance with their respective functions and duties, be responsible for the relevant administration of precursor chemicals within their respective administrative areas.

Local people's governments at or above the county level shall reinforce the leadership in the administration of precursor chemicals, and in a timely manner, coordinate the efforts in resolving the problems that arise from the administration of precursor chemicals.

**Article 4** The names (including scientific names and common names), chemical molecular formulas and chemical composition of precursor chemicals shall be specified on their packaging and in their specifications.

**Article 5** In addition to the provisions of these Regulations, the manufacture, distribution, purchase, transport, import and export of the precursor chemicals that are of pharmaceuticals or hazardous chemicals shall be in compliance with the provisions on pharmaceuticals or hazardous chemicals of laws and other administrative regulations.

Any smuggling or illicit manufacture, distribution, purchase, transfer or transport of precursor chemicals is prohibited.

Any transaction of precursor chemicals in cash or kind is prohibited. However, an individual may legally purchase preparations of pharmaceutical precursor chemicals in Category I, and the precursor chemicals in Category III.

Any unit that manufactures, distributes, purchases, transports, imports or exports precursor chemicals shall establish an internal system for management of precursor chemicals.

**Article 6** The State encourages the report against illegal activities related to precursor chemicals to the relevant competent administrative departments such as the public security department. The department that receives the report shall maintain the confidentiality of the reporting person; and the people's government at or above the county level and the relevant competent administrative departments shall award the reporting person if the report is proved to be true.

## **Chapter II Administration of Manufacture and Distribution**

**Article 7** Anyone applying for the manufacture of precursor chemicals in Category I shall meet the following requirements, and shall not commence manufacturing until it is approved by the competent administrative department specified in Article 8 of these Regulations and obtains a manufacture license:

- (1) being a chemical product manufacturer or pharmaceutical manufacturer that is legally registered;
- (2) having manufacture equipment, storage facilities and pollutant disposal facilities that are in conformity with the national standards;
- (3) having a strict work safety management system and a preparedness plan for environmental emergencies;
- (4) the legal representative and the technical and managerial personnel thereof have relevant knowledge on work safety and precursor chemicals, and have no record of drug-related crimes; and
- (5) other requirements provided for by laws, regulations and rules.

To apply for the manufacture of pharmaceutical precursor chemicals in Category I, the applicant shall, in addition, install video monitors within key areas such as storage places and alarm devices connected to the public security department.

**Article 8** Anyone applying for the manufacture of pharmaceutical precursor chemicals in Category I shall be subject to approval by the food and drug administration department of the State Council; anyone applying for the manufacture of non-pharmaceutical precursor chemicals in Category I shall be subject to approval by the work safety administration department of the people's government of the province, autonomous region or municipality directly under the Central Government.

The competent administrative departments specified in the preceding paragraph shall examine the application materials submitted by the applicant within 60 days from the date of receipt of such materials, and, if the applicant meets the relevant requirements, issue a manufacture license to the applicant or mark the relevant manufacture license that the applicant has obtained for confirmation. If no license is granted, the applicant shall be notified in writing with the reasons therefore stated.

When necessary, on-site inspection or expert evaluation may be conducted in examining the application materials for the manufacture of precursor chemicals in Category I.

**Article 9** Anyone applying for the distribution of precursor chemicals in Category I shall meet the following requirements, and shall not commence distributing until it is approved by the competent administrative department specified in Article 10 of these Regulations and obtains a distribution license:

- (1) being a chemical product distributor or pharmaceutical distributor that is legally registered;
- (2) having premises that are in conformity with provisions of the State, and, if there is a need to store

- or preserve precursor chemicals, having storage facilities that are in conformity with the national technical standards;
- (3) having a management system and a sound sales network for the distribution of precursor chemicals;
  - (4) the legal representative and the technical and managerial personnel thereof have relevant knowledge on work safety and precursor chemicals, and have no record of drug-related crimes; and
  - (5) other requirements provided for by laws, regulations and rules.

**Article 10** Anyone applying for the distribution of pharmaceutical precursor chemicals in Category I shall be subject to approval by the food and drug administration department of the State Council; anyone applying for the distribution of non-pharmaceutical precursor chemicals in Category I shall be subject to approval by the work safety administration department of the people's government of the province, autonomous region or municipality directly under the Central Government.

The competent administrative department specified in the preceding paragraph shall examine the application materials submitted by the applicant within 30 days from the date of receipt of such materials, and, if the applicant meets the relevant requirements, issue a distribution license to the applicant or mark the relevant distribution license that the applicant has obtained for confirmation. If no license is granted, the applicant shall be notified in writing with the reasons therefore stated.

When necessary, on-site inspection may be conducted in examining the application materials for the distribution of precursor chemicals in Category I.

**Article 11** Any manufacturer that has obtained the manufacture license of precursor chemicals in Category I or has completed the submission-for-the-record formalities for the manufacture of precursor chemicals in Category II or Category III in accordance with the provisions of the first paragraph of Article 13 of these Regulations may sell self-manufactured precursor chemicals. However, if such manufacturer is to set up a sales office outside the factory for the sales of precursor chemicals in Category I, it shall obtain the distribution license in accordance with the provisions of these Regulations.

Pharmaceutical simple recipe of the pharmaceutical precursor chemicals in Category I shall be sold by designated narcotic drug distributors, and shall not be retailed.

**Article 12** Any enterprise that has obtained the manufacture or distribution license of precursor chemicals in Category I shall, on the basis of such manufacture or distribution license, register with the administrative department for industry and commerce for the alteration of its business scope. Without such registration, no manufacture or distribution of the precursor chemicals in Category I may be conducted.

Where the manufacture or distribution license of precursor chemicals in Category I is revoked in accordance with law, the relevant competent administrative department shall notify the administrative department for industry and commerce within five days from the date of such revocation; and the enterprise whose license is revoked shall, in a timely manner, register with the administrative department for industry and commerce for the alteration of its business scope or cancellation of business.

**Article 13** Anyone that manufactures precursor chemicals in Category II or Category III shall, within 30 days from the date of commencement of manufacture, submit the type, quantity and other information of the precursor chemicals manufactured for the record to the work safety administration department of the people's government at the level of the city divided into districts where it is located.

Anyone that distributes precursor chemicals in Category II shall, within 30 days from the date of commencement of distribution, submit the type, quantity, main destinations and other information of the precursor chemicals distributed for the record to the work safety administration department of the people's government at the level of the city divided into districts where it is located. Anyone that distributes precursor chemicals in Category III shall, within 30 days from the date of commencement of distribution, submit the type, quantity, main destinations and other information of the precursor chemicals distributed for the record to the work safety administration department of the people's government at the level of the county where it is located.

The competent administrative department specified in the two preceding paragraphs shall issue the submission-for-the-record certificate at the date of receipt of materials submitted for the record.

### **Chapter III Administration of Purchase**

**Article 14** Anyone applying for the purchase of precursor chemicals in Category I shall submit the following certificates to the competent administrative department specified in Article 15 of these Regulations for approval, and obtain a purchase license therefrom:

(1) if the applicant is a distributor, it shall submit its business license and the certificate of its need for legal use; or

(2) if the applicant is any other organization, it shall submit its registration certificate (approval document of incorporation) and the certificate of its need for legal use.

**Article 15** Anyone applying for the purchase of pharmaceutical precursor chemicals in Category I shall be subject to approval by the food and drug administration department of the people's government of the province, autonomous region or municipality directly under the Central Government where it is located; anyone applying for the purchase of non-pharmaceutical precursor chemicals in Category I shall be subject to approval by the public security department of the people's government of the province, autonomous region or municipality directly under the Central Government where it is located.

The competent administrative department specified in the preceding paragraph shall, within 10 days from the date of receipt of the application, examine the application materials and certificates submitted by the applicant, and issue a purchase license to the applicant if it meets the relevant requirements. If no license is granted, the applicant shall be notified in writing with the reasons therefore stated.

When necessary, on-site inspection may be conducted in examining the application materials for the purchase license of precursor chemicals in Category I.

**Article 16** When purchasing pharmaceutical precursor chemicals in Category I, a medical institution that has a seal card for purchase of narcotic drugs or psychotropic substances of Class I does not need to apply for the purchase license of precursor chemicals in Category I.

No individual may purchase precursor chemicals in Category I or Category II.

**Article 17** Anyone that is to purchase precursor chemicals in Category II or Category III shall submit in advance the type and quantity of the precursor chemicals to be purchased for the record to the public security department of the people's government at the level of the county where it is located. Individuals do not need to report the purchase of a small amount of potassium permanganate for personal use.

**Article 18** When selling precursor chemicals in Category I, a distributor shall check the purchase license and the identity certificate of the individual who handles the purchase. For entrusted purchase, the power of attorney held by the entrusted purchaser shall also be checked.

The distributor shall not sell any precursor chemicals in Category I until the abovementioned certification documents are verified and their photocopies are kept. Upon discovery of any suspicious circumstances, the distributor shall immediately report the matter to the local public security department.

**Article 19** A distributor shall establish a ledger for sale of precursor chemicals and truthfully record the type, quantity, date, purchaser and other information on the precursor chemicals sold. The sales ledger and the photocopies of the certification documents shall be kept for two years for the purpose of inspection.

The information on sale of precursor chemicals in Category I shall be submitted to the local public security department for the record within five days from the date of sale; and the unit using precursor chemicals in Category I shall establish a use ledger and keep the same for two years for the purpose of inspection.

The information on sale of precursor chemicals in Category II or Category III shall be submitted to the local public security department for the record within 30 days from the date of sale.

## Chapter IV Administration of Transport

**Article 20** Where precursor chemicals in Category I are transported across two or more administrative areas at the level of a city divided into districts (or across the boundaries of a municipality directly under the Central Government) or across two or more administrative areas at the county level within key areas which are designated by the public security department of the State Council as such for the severe anti-drug situation there, the matter shall be subject to examination and approval by the public security department of the people's government at the level of the city of departure that is divided into districts. Any transport of precursor chemicals in Category II shall be subject to examination and approval by the public security department of the people's government at the level of the county of departure. No transport shall be conducted until the transport license of precursor chemicals is granted upon approval.

Transport of precursor chemicals in Category III shall be submitted in advance to the public security department of the people's government at the level of the county of departure for the record; and the public security department shall issue the submission-for-the-record certificate at the date of receipt of the materials submitted for the record.

**Article 21** For application for the transport license of precursor chemicals, the contract for the purchase or sale of precursor chemicals to be transported shall be submitted. If the owner is an enterprise, its business license shall be submitted. If the owner is any other organization, its registration certificate (approval document of incorporation) shall be submitted. If the owner is an individual, his identity certificate shall be submitted. In addition, the individual who handles the transport shall submit his identity certificate.

The public security department shall examine the application materials submitted by the applicant within 10 days from the date of receipt of the application for the transport license of precursor chemicals in Category I, or within three days from the date of receipt of the application for the transport license of precursor chemicals in Category II. If the applicant meets the relevant requirements, it shall be issued with the transport license. If no license is granted, the applicant shall be notified in writing with the reasons therefore stated.

When necessary, on-site inspection may be conducted in examining the application materials for the transport license of precursor chemicals in Category I.

**Article 22** A one-off transport license shall be issued where the transport of precursor chemicals in Category I is approved.

A transport license valid for three months shall be issued where the transport of precursor chemicals in Category II is approved; and if the transport remains safe and sound for six months, a transport license valid for 12 months shall be issued.

The type, quantity, destination, owner, consignee and carrier of the precursor chemicals to be transported as well as the type of the transport license shall be stated clearly in the transport license of precursor chemicals.

**Article 23** For transport of ephedrine samples not more than 100 grams for the purpose of teaching or scientific research or small package ephedrine for the prescription of medical institutions, or for the purchase of not more than 60,000 ephedrine pills or not more than 15,000 ephedrine injections by a medical institution or narcotic drug distributor, the owner or carrier does not need to apply for the transport license of precursor chemicals if it holds the purchase license or narcotic drug allocation form obtained in accordance with law.

**Article 24** Where the transport is consigned by the owner, the carrier shall check the transport license or the submission-for-the-record certificate provided by the owner, and verify whether the freight is consistent with the precursor chemicals that are specified in such transport license or the submission-for-the-record certificate. No transport may be conducted if it is proved to be inconsistent.

For transport of precursor chemicals, the transport personnel shall carry with them the transport license or submission-for-the-record certificate throughout the transport period from the departure. The public security department shall conduct inspections during the transport of precursor chemicals.

The transport of precursor chemicals shall comply with the relevant provisions of the State on freight transport.

**Article 25** For the need of treatment of diseases, the patient, the near relative of the patient or the individual entrusted by the patient may, on the basis of the diagnosis certificate issued by a medical institution and his identity certificate, carry on his person preparations of pharmaceutical precursor chemicals in Category I; however, the amount of the same shall not exceed the maximum dosage in a single prescription.

The maximum dosage in a single prescription shall be provided for and promulgated by the competent health department of the State Council.

## **Chapter V Administration of Import and Export**

**Article 26** Anyone applying for the import or export of precursor chemicals shall submit the following materials, and shall not engage in such import or export until it is approved by the competent commerce department of the State Council or the competent commerce department of the people's government of the province, autonomous region or municipality directly under the Central Government authorized thereby and obtains an import or export license:

- (1) photocopy of the foreign trade operator submission-for-the-record certificate (qualification certificate of the joint annual inspection for a foreign-invested enterprise);
- (2) duplicate of the business license;
- (3) license or submission-for-the-record certificate for the manufacture, distribution or purchase of precursor chemicals;
- (4) duplicate of the import or export contract (agreement); and
- (5) identity certificate of the individual who handles the business.

Anyone applying for the export license of precursor chemicals shall, in addition, submit the certificate for the legal use of precursor chemicals that is issued by the governmental authority of the importer or the warranty document provided by the importer on the legal use of precursor chemicals.

**Article 27** The competent commerce department accepting the application for the import or export of precursor chemicals shall, within 20 days from the date of receipt of the application materials, examine the application materials, and may also conduct on-site inspection when necessary. If the applicant meets the relevant requirements, it shall be issued with an import or export license. If no license is granted, the applicant shall be notified in writing with the reasons therefore stated.

For the import of pharmaceutical precursor chemicals in Category I, the consent of the food and drug administration department of the State Council shall be obtained before the relevant competent commerce department makes the decision of approval.

**Article 28** Ephedrine and other precursor chemicals under special control shall be imported or exported only by the enterprises designated by the competent commerce department of the State Council jointly with the relevant department of the State Council.

**Article 29** The State applies an international check system for the import and export of precursor chemicals. The catalogue of precursor chemicals subject to international check and the detailed inspection measures shall be formulated and promulgated by the competent commerce department of the State Council jointly with the public security department of the State Council.

The time used for the international check shall not be included into the time for approval.

For export of precursor chemicals or chemicals other than those provided by these Regulations to a country or region where illicit manufacture or trafficking of drugs is severe, other control measures may be taken in addition to the international check, and detailed procedures therefor shall be formulated and promulgated by the competent commerce department of the State Council jointly with the public security department of the State Council, the General Administration of Customs and other relevant departments.

**Article 30** For the import, export, transit, transshipment or through-transport of precursor chemicals, truthful declaration shall be made to the Customs and the import or export license submitted thereto. The Customs shall handle the clearance formalities on the basis of such license.

The provisions of the preceding paragraph are also applicable to the import or export of precursor chemicals between overseas areas and the areas under special Customs control or bonded areas, such as the bonded zones and export processing zones.

It is not required to apply for the import or export license of precursor chemicals for any import or export of precursor chemicals between intra-territory areas and the areas under special Customs control or bonded areas, such as bonded zones and export processing zones, or for any import or export of precursor chemicals between the abovementioned areas under special Customs control or bonded areas.

For the import of pharmaceutical precursor chemicals in Category I, the pharmaceutical import note issued by the food and drug administration department shall be submitted in addition.

**Article 31** The preparations of pharmaceutical precursor chemicals in Category I and potassium permanganate carried by individuals entering or exiting the territory of China on their person shall be limited to a reasonable amount for personal use and be subject to Customs control.

Any individual entering or exiting the territory of China shall not carry on his person any precursor chemicals other than those specified in the preceding paragraph.

## **Chapter VI Supervision and Inspection**

**Article 32** The public security department, food and drug administration department, work safety administration department, competent commerce department, competent health department, competent pricing department, competent railway department, competent communications department, administrative department for industry and commerce, competent environmental protection department of the people's government at or above the county level and the Customs shall, in accordance with the provisions of these Regulations and relevant laws and administrative regulations and within their respective functions and duties, reinforce the supervision and inspection on the manufacture, distribution, purchase, transport, price, import and export of precursor chemicals, and shall investigate and handle in accordance with law any illicit manufacture, distribution, purchase or transport of precursor chemicals or smuggling of precursor chemicals.

When conducting supervision and inspection on precursor chemicals, the competent administrative departments specified in the preceding paragraph may, in accordance with law, inspect the relevant scenes, look through or copy the relevant materials, record relevant information or impound relevant evidential materials and illicit items; and the relevant premises may be sealed up temporarily when necessary.

Any unit or individual under inspection shall truthfully provide relevant information, materials and items and shall not refuse to provide or conceal the same.

**Article 33** The precursor chemicals confiscated or seized in accordance with law shall be preserved or recovered in light of the different circumstances under the supervision of the Customs, or the public security department or the competent environmental protection department of the people's government of the province, autonomous region, municipality directly under the Central Government or the city divided into districts, or destroyed by qualified unit under the supervision of the competent environmental protection department in accordance with relevant laws or administrative regulations on environmental protection. Any pharmaceutical precursor chemicals in Category I confiscated or seized shall be all destroyed.

Where the unit or individual that violates the relevant provisions on precursor chemicals is unable to pay the expenses for the preservation, recovery or destruction of precursor chemicals concerned, such expenses shall be paid from the income derived from the recovery or the drug control funds of the relevant competent administrative departments.

**Article 34** Where precursor chemicals are lost, stolen or robbed, the unit concerned shall immediately report the matter to the local public security department and, at the same time, to the food and drug administration department, work safety administration department, competent commerce department or the competent health



department of the local people's government at the county level. The public security department that receives such report shall immediately file the case and initiate the investigation, and make a further report to the public security department at the higher level. The relevant competent administrative departments shall report the matter level by level and cooperate with the public security department in the investigation.

**Article 35** The relevant competent administrative department shall notify the public security department and administrative department for industry and commerce concerned of any issuance or revocation of license related to precursor chemicals; and the administrative department for industry and commerce shall notify the public security department or the competent administrative departments concerned of any alteration or cancellation of registration by any precursor chemicals manufacturers or distributors.

**Article 36** Any unit that manufactures, distributes, purchases, transports, imports or exports precursor chemicals shall, by March 31 each year, report the information on the manufacture, distribution, purchase, transport, import or export of precursor chemicals in the previous year to the competent administrative department and the public security department that grants the license or accept the materials submitted for the record. If conditions permit, the unit that manufactures, distributes, purchases, transports, imports or exports precursor chemicals may establish a computer network connected to the relevant administrative department to timely report relevant business information.

**Article 37** Relevant competent administrative departments of the people's government at or above the county level shall reinforce the coordination and cooperation and establish a mechanism for circulating and exchanging information on the administration, supervision and inspection of precursor chemicals, as well as on the handling of relevant cases.

## **Chapter VII Legal Liability**

**Article 38** Where anyone, in violation of the provisions of these Regulations, manufactures, distributes, purchases or transports precursor chemicals without license or submitting relevant materials for the record, swindles the license for the manufacture, distribution, purchase or transport of precursor chemicals by forging application materials, or manufactures, distributes, purchases or transports precursor chemicals by using the license of another person or a forged, altered or invalid license, the public security department shall confiscate the precursor chemicals illicitly manufactured, distributed, purchased or transported, the raw materials for the illicit manufacture of precursor chemicals and the equipment and tools for the illicit manufacture, distribution, purchase or transport of precursor chemicals, and impose a fine of not less than 10 times but not more than 20 times the value of the precursor chemicals illicitly manufactured, distributed, purchased or transported; if 20 times of such value is less than 10,000 yuan, a fine of 10,000 yuan shall be imposed. Illicit gains, if any, shall be confiscated. If the violator has a business license, such business license shall be revoked by the administrative department for industry and commerce. If a crime is constituted, criminal liability shall be investigated for in accordance with law.

With regard to a unit or individual that commits an illicit act specified in the preceding paragraph, the relevant competent administrative department may, within three years from the date when the relevant administrative penalty is imposed, cease to accept the application therefrom for the license for the manufacture, distribution, purchase, transport, import or export of precursor chemicals.

**Article 39** Where anyone, in violation of the provisions of these Regulations, smuggles precursor chemicals, the Customs shall confiscate the precursor chemicals smuggled and the illicit gains, if any, and impose an administrative penalty in accordance with the relevant Customs laws and administrative regulations. If a crime is constituted, criminal liability shall be investigated in accordance with law.

**Article 40** Where anyone, in violation of the provisions of these Regulations, commits any of the following acts, the competent administrative department charged with the duty of supervision and administration shall give it a warning, order it to make corrections within a specified time limit, impose a fine of not less than 10,000 yuan but not more than 50,000 yuan, and may confiscate the precursor chemicals illicitly manufactured, distributed or purchased. If the violator fails to make corrections at expiration of the time limit, it shall be ordered to suspend its manufacture or business operation for rectification; and if the rectification is not made as required at expiration of the time limit, its relevant license shall be revoked:

- (1) the unit that manufactures, distributes, purchases, transports, imports or exports precursor chemicals fails to establish the work safety management system as required;
- (2) lending the relevant license or submission-for-the-record certificate to others for use;
- (3) manufacturing, distributing or purchasing precursor chemicals in excess of the licensed type or quantity;
- (4) the unit that manufactures, distributes or purchases precursor chemicals fails to record or fails to truthfully record the transaction information, fails to keep the transaction record as required or fails to submit the sales information for the record to the public security department and relevant competent administrative department truthfully and timely;
- (5) failing to make a timely report after precursor chemicals are lost, stolen or robbed, thus causing serious consequences;
- (6) conducting transaction in cash or kind of precursor chemicals other than preparations of pharmaceutical precursor chemicals in Category I or the precursor chemicals in Category III that may be legally purchased by individuals;
- (7) the product packaging or specifications of the precursor chemicals are not in compliance with the requirements of these Regulations; or
- (8) the unit that manufactures or distributes precursor chemicals fails to make a truthful and regular annual report of its manufacture, sales and inventory to the relevant competent administrative department and the public security department.

Where an enterprise fails to alter its business scope or register its cancellation of business at the administrative department for industry and commerce immediately after its manufacture or distribution license of precursor chemicals is revoked, the precursor chemicals concerned shall be confiscated and a fine shall be imposed in accordance with the provisions of the preceding paragraph.

**Article 41** Where the type, quantity, destination, owner, consignee or carrier of the precursor chemicals transported is not consistent with what is specified in the precursor chemicals transport license or submission-for-the-record certificate, the type of the transport license is incorrect or the transport personnel fail to carry with them the transport license or submission-for-the-record certificate through the transport period, the public security department shall order the violator to suspend the transport for rectification and impose a fine of not less than 5,000 yuan but not more than 50,000 yuan; and the competent transport department may, in accordance with law, disqualify the violator from transporting hazardous articles if it has such qualification.

Where any individual carries precursor chemicals at variance with the specified type or quantity, such precursor chemicals shall be confiscated and the violator shall be fined not less than 1,000 yuan but not more than 5,000 yuan.

**Article 42** Where any unit or individual that manufactures, distributes, purchases, transports, imports or exports precursor chemicals refuses to accept the supervision and inspection by the relevant competent administrative department, the competent administrative department charged with the duty of supervision and administration shall order the violator to make corrections and give a warning to the persons in charge with competent accountability and other persons with competent accountability. Where the circumstances are serious, a fine of not less than 10,000 yuan but not more than 50,000 yuan shall be imposed on the unit; and a fine of not less than 1,000 yuan but not more than 5,000 yuan shall be imposed on the persons in charge with competent accountability and other persons with competent accountability. If a violation against public security administration is constituted, a public security administration penalty shall be imposed in accordance with law. If a crime is constituted, criminal liability shall be investigated for in accordance with law.

**Article 43** Where a staff member of the competent administrative department of precursor chemicals, in his administrative work, refuses to grant license to those qualified, grants license to those unqualified, fails to accept the submission-for-the-record application in accordance with law, or commits other acts by abusing his power, neglecting his duty or committing illegalities for personal gain or by fraudulent means, he shall be given an

administrative sanction in accordance with law; and if his act constitutes a crime, criminal liability shall be investigated for in accordance with law.

### **Chapter VIII Supplementary Provisions**

**Article 44** The relevant competent administrative departments of the State Council shall, in accordance with their respective functions and duties, provide for the formats of the licenses for manufacture, distribution, purchase, transport, import and export of precursor chemicals and supervise the production of such licenses.

**Article 45** These Regulations shall be effective as of November 1, 2005.

Anyone that has been engaging in the manufacture, distribution, purchase, transport, import or export of precursor chemicals prior to the effective date of these Regulations shall apply anew for the corresponding license in accordance with the provisions of these Regulations within six months from the effective date of these Regulations.

Table

#### **List of Classification and Types of Precursor Chemicals**

##### **Category I**

1. 1-PHENYL-2-PROPANONE
2. 3,4-METHYLENEDIOXYPHENYL-2-PROPANONE
3. PIPERONAL
4. SAFROLE
5. SAFROLE OIL
6. ISOSAFROLE
7. N-ACETYLANTHRANILIC ACID
8. ANTHRANILIC ACID
9. LYSERGIC ACID \*
10. ERGOTAMINE \*
11. ERGOMETRINE \*
12. EPHEDRINE, PSEUDOEPHEDRINE, RACEMIC EPHEDRINE, NOREPHERDRINE, METHYLEPHERDRINE, EPHEDRA EXTRACTS, POWDER OF EPHEDRA EXTRACTS AND OTHER EPHEDRINE TYPE SUBSTANCES \*

##### **Category II**

1. PHENYLACETIC ACID
2. ACETIC ANHYDRIDE
3. CHLOROFORM
4. ETHYL ETHER
5. PIPERIDINE

### **Category III**

1. TOLUENE
2. ACETONE
3. METHYL ETHYL KETONE
4. POTASSIUM PERMANGANATE
5. SULPHURIC ACID
6. HYDROCHLORIC ACID

**Explanation:**

I. The salts of the substances listed in Category I and Category II are also under control whenever the existence of such salts is possible.

II. The types with \* are the pharmaceutical precursor chemicals in Category I, which include pharmaceutical substances and simple preparations.