

**MEMORANDUM OF UNDERSTANDING ON COOPERATION
WITH RESPECT TO TRADE IN ALCOHOL AND TOBACCO
BETWEEN
THE UNITED STATES DEPARTMENT OF THE TREASURY
AND
GENERAL ADMINISTRATION OF QUALITY SUPERVISION,
INSPECTION AND QUARANTINE
OF THE PEOPLE'S REPUBLIC OF CHINA**

To protect the public and to establish a consistent channel for information exchange regarding the import and export of alcohol and tobacco products, the United States Department of the Treasury, and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) (hereinafter referred to as "the participants") have, through friendly consultations, reached this Memorandum of Understanding (MOU). The designated implementing agencies for this MOU are the Alcohol and Tobacco Tax and Trade Bureau (TTB) of the United States Department of the Treasury and the Import and Export Food Safety Bureau of the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (hereinafter referred to as "the implementing agencies").

Section 1

The implementing agencies intend to establish a consultative process to strengthen cooperation in the administration of import and export alcohol and tobacco regulations and compliance determinations. Through this process, the implementing agencies intend to enhance bilateral cooperation consistent with the World Trade Organization's Agreement on Technical Barriers to Trade.

Section 2

The implementing agencies intend to establish consultative and collaborative processes to provide exchanges of information with regard to the identity and quality of imported and exported alcohol and tobacco products. Through these processes and exchanges the implementing agencies intend

to lay the foundation for further discussions to improve cooperation and enhance transparency of regulations on alcohol and tobacco products including the recognition of standards of identity for alcohol products.

The implementing agencies intend to strengthen cooperation as follows:

- 1) Exchange information on alcohol and tobacco issues related to their laws, regulations, policies, and procedures, standards, and labeling administration. If changes are made to the above information, each implementing agency intends to update the other implementing agency through timely notifications.
- 2) Provide timely notifications regarding changes to their laws, regulations, policies, and procedures affecting the import and export trade in alcohol and tobacco products insofar as such changes relate to the implementing agency's jurisdiction over such matters. When problems are identified during the import process, the implementing agencies intend to make all efforts to resolve the issue through immediate information exchange and cooperative consultation via the points of contact listed in Annex 1 and in conjunction with any other applicable regulatory agencies. The contact points, identified in Annex 1, intend to ensure that action is taken to examine the issue and that a response to the inquiry or information provided is handled in a timely manner. The contact points serve as the primary conduits for information exchange and cooperative consultation between the two implementing agencies with respect to this MOU.
- 3) Develop bilateral training and seminars for the implementing agencies' regulatory, technical and scientific staff, and, where appropriate, include officials from other relevant regulatory agencies.
- 4) Exchange information with a view to developing cooperative laboratory testing procedures for alcohol and tobacco classification and compliance determinations, emphasizing the use of AOAC International (previously known as the Association of Official Analytical Chemists) and AOAC equivalent methods. The implementing agencies intend to develop additional technical research, as necessary, based on the process of on-going cooperative efforts and mutually identified needs.
- 5) Exchange information on alcohol and tobacco counterfeit or smuggling cases.

Section 3

In carrying out activities under this MOU, TTB of the United States Department of the Treasury and the Import and Export Food Safety Bureau of AQSIQ will comply with the relevant laws and regulations of the United States of America and the People's Republic of China, respectively. This MOU is not intended to affect disclosure requirements or privacy rights under the laws of the respective countries.

Section 4

Any cooperative activities carried out under this MOU should be based on available resources. The implementing agencies intend to fund their own respective participation in activities carried out under this MOU, unless they make other arrangements.

Section 5

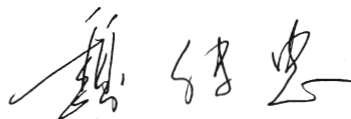
In carrying out all the above activities under this MOU, the implementing agencies intend to employ friendly consultation to resolve issues that may arise.

Section 6

This MOU is signed in duplicate at Beijing on Dec 11th, 2007, in both Chinese and English.



United States Department of the Treasury



General Administration of Quality
Supervision, Inspection and Quarantine of
the People's Republic of China

Annex 1

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