

MIIT Weekly Brief

Regulation on Rare Earth Management

[Original Link](#)

Effective Date: 2024-10-01

Summary

- The regulation aims to protect and rationally utilize rare earth resources, ensuring high-quality development of the industry.
- It applies to activities related to the extraction, smelting, separation, and trade of rare earths within China.
- The regulation emphasizes state ownership of rare earth resources and prohibits unauthorized exploitation.
- It introduces a unified national plan for the development of the rare earth industry.
- The regulation encourages technological innovation and the development of new products and materials in the rare earth sector.

Strategic Insights

- Western businesses should monitor China's rare earth policies closely as they can impact global supply chains.
- Analysts should assess the potential for increased regulation in other critical mineral sectors, inspired by this regulation.
- Policymakers should consider the implications of China's control over rare earths on international trade and technology development.

Key Provisions

- Rare earth resources are state-owned, and protective mining is enforced.
- A national plan for the rare earth industry is mandated, with the Ministry of Industry and Information Technology leading its implementation.
- Only approved enterprises can engage in rare earth extraction and processing.
- Strict penalties are imposed for illegal mining and processing activities.
- A traceability system for rare earth products is established to ensure compliance and transparency.
- The regulation promotes the use of advanced technologies for the comprehensive utilization of secondary rare earth resources.

Recommended Actions

- Foreign companies should ensure compliance with China's rare earth regulations to avoid penalties and disruptions.
- Policymakers should engage in dialogue with Chinese counterparts to understand the implications of these regulations on global markets.
- Businesses should explore alternative sources and technologies to mitigate risks associated with China's rare earth policies.

Translation

The Regulation on Rare Earth Management, approved by the State Council on April 26, 2024, aims to protect and rationally develop rare earth resources, promote high-quality development of the rare earth industry, and ensure ecological and national resource security. It applies to activities related to the extraction, smelting, separation, utilization, and trade of rare earths within China. The regulation emphasizes the state's ownership of rare earth resources and mandates protective mining. It also establishes a national plan for the industry's development, encourages technological innovation, and sets strict penalties for illegal activities.

Regulation on Rare Earth Management

[Original Link](#)

Effective Date: 2024-10-01

Summary

- The regulation aims to protect and utilize rare earth resources effectively, promoting high-quality development and ensuring national resource and industrial security.
- It applies to activities related to the mining, refining, and trading of rare earths within China.
- The regulation emphasizes the state's ownership of rare earth resources and prohibits unauthorized exploitation.
- A unified national plan for the development of the rare earth industry is mandated, with encouragement for technological innovation.
- Strict controls and penalties are established for illegal mining and trading activities.

Strategic Insights

- Western businesses involved in rare earths should closely monitor China's regulatory changes to anticipate impacts on supply chains.
- Analysts should assess how China's emphasis on technological innovation in rare earths could affect global market dynamics.
- Policymakers should consider the implications of China's rare earth policies on international trade and resource security.

Key Provisions

- Rare earth resources are owned by the state, and protective mining practices are enforced.
- The regulation mandates a national plan for the rare earth industry, promoting high-end, intelligent, and green development.
- Only designated enterprises are allowed to engage in rare earth mining and refining.
- A traceability system for rare earth products is established to ensure compliance and prevent illegal activities.
- Penalties for illegal mining and trading include fines, confiscation of products, and potential business license revocation.

Recommended Actions

- Foreign companies should ensure compliance with China's rare earth regulations to avoid legal and financial penalties.
- Businesses should explore partnerships with Chinese firms to leverage technological advancements in rare earth processing.
- Policymakers should engage in dialogues with Chinese counterparts to understand the strategic implications of these regulations.

Translation

The Regulation on Rare Earth Management, approved by the State Council on April 26, 2024, will be effective from October 1, 2024. It aims to protect and rationally develop rare earth resources, promote high-quality industry development, and ensure ecological and national resource security. The regulation applies to all activities related to rare earth mining, refining, and trading within China. It emphasizes state ownership of rare earth resources and mandates protective mining practices. A national plan for the rare earth industry is required, encouraging technological innovation and sustainable development. Only designated enterprises may engage in mining and refining, and a traceability system is established to prevent illegal activities. Penalties for violations include fines and business license revocation.

Establishment of Expert Group to Rectify the Rare Earth Industry Order

[Original Link](#)

Effective Date: Not specified

Summary

- The Rare Earth Office has formed an expert group to standardize the rare earth industry.
- The group includes experts in technology, finance, and law.
- The initiative aims to institutionalize and normalize the rectification of illegal activities in the rare earth sector.
- The expert group will assist in technical analysis, raw material testing, financial data analysis, and legal compliance.
- Members are drawn from industry associations, major rare earth groups, and research and legal institutions.

Strategic Insights

- Western businesses should monitor changes in China's rare earth policies as they may affect global supply chains.
- Analysts should assess the impact of stricter regulations on rare earth exports and pricing.
- Policymakers might consider engaging with Chinese counterparts to understand the implications for international trade.

Key Provisions

- Formation of an expert group to oversee the rare earth industry.
- Focus on technical, financial, and legal aspects to ensure compliance.

- Support for companies in production technology and raw material analysis.
- Regularization and institutionalization of rectification efforts.
- Collaboration with industry associations and major rare earth groups.

Recommended Actions

- Foreign companies should review their supply chains for potential disruptions.
- Policymakers should prepare for potential shifts in rare earth availability and pricing.
- Businesses should engage with local experts to ensure compliance with new regulations.

Translation

To continuously advance the special action against illegal activities in the rare earth sector and gradually institutionalize and normalize rectification work, the Rare Earth Office has established an expert group composed of professionals in technology, finance, and law. This group will provide support and assistance in areas such as enterprise production technology analysis, raw material composition testing, financial data analysis, and legal administration for the rectification of the rare earth industry order. The members of the expert group mainly come from relevant industry associations, key rare earth groups, research, and legal institutions.
