

# MIT Weekly Brief

## Regulations on Rare Earth Management

 [Original Link](#)

**Effective Date:** 2024-10-01



### Summary

- The regulation aims to protect and utilize rare earth resources effectively and promote high-quality development of the rare earth industry.
- It applies to activities related to the extraction, smelting, separation, and trade of rare earths within China.
- The regulation emphasizes the importance of balancing resource protection with development and encourages technological innovation.
- The state owns all rare earth resources and enforces protective mining practices.
- A comprehensive traceability system for rare earth products will be established to ensure compliance and transparency.



### Strategic Insights

- Western businesses should monitor China's rare earth policies closely as they can impact global supply chains.
- Analysts should assess how these regulations might affect the pricing and availability of rare earth materials internationally.
- Policymakers should consider engaging with Chinese counterparts to understand the implications of these regulations on global trade.



### Key Provisions

- The regulation mandates protective mining and prohibits unauthorized extraction and smelting of rare earths.
- A unified national plan for the development of the rare earth industry will be implemented.
- Enterprises are encouraged to develop and apply new technologies and processes in the rare earth sector.
- Strict penalties are imposed for illegal activities, including fines and business license revocations.
- A traceability system for rare earth products will be established to monitor their flow and ensure legal compliance.



### Recommended Actions

- Foreign companies should ensure compliance with China's rare earth regulations to avoid penalties.
- Businesses should explore partnerships with Chinese firms to leverage new technologies in rare earth processing.
- Policymakers should consider the strategic importance of rare earths and develop contingency plans for supply disruptions.

## Translation

The Regulations on Rare Earth Management, approved by the State Council on April 26, 2024, will be effective from October 1, 2024. The regulation aims to protect and utilize rare earth resources effectively, promote high-quality development of the rare earth industry, and ensure national resource and industrial security. It applies to activities related to the extraction, smelting, separation, and trade of rare earths within China. The regulation emphasizes balancing resource protection with development and encourages technological innovation. The state owns all rare earth resources and enforces protective mining practices. A comprehensive traceability system for rare earth products will be established to ensure compliance and transparency.

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## Regulation on Rare Earth Management

 [Original Link](#)

**Effective Date:** 2024-10-01

### Summary

- The regulation aims to protect and develop rare earth resources sustainably and securely.
- It applies to all activities related to rare earth mining, processing, and trade within China.
- The regulation emphasizes the importance of technological innovation and green development in the rare earth industry.
- It establishes a system for the traceability of rare earth products to ensure legal compliance.
- Strict penalties are outlined for illegal activities related to rare earth mining and processing.

### Strategic Insights

- Western businesses should monitor China's rare earth policies closely as they impact global supply chains.
- Analysts should assess the potential for increased regulatory compliance costs for companies involved in rare earths.
- Policymakers might consider developing strategic reserves or alternative sources of rare earths to mitigate supply risks.

### Key Provisions

- Rare earth resources are state-owned, and protective mining practices are mandated.
- The government will plan and manage the development of the rare earth industry.
- Only approved enterprises can engage in rare earth mining and processing.
- A traceability system for rare earth products will be established to ensure compliance.
- Strict penalties are imposed for illegal mining, processing, and trade of rare earths.

### Recommended Actions

- Foreign companies should ensure compliance with China's rare earth regulations to avoid penalties.
- Policymakers should engage in dialogue with Chinese counterparts to understand the implications of these regulations.
- Businesses should explore alternative sources or recycling of rare earths to reduce dependency on Chinese supply.

## 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 development of the rare earth industry, maintain ecological and resource security, and ensure national security. The regulation applies to all activities related to rare earth mining, processing, and trade within China. It emphasizes the importance of balancing resource protection with development, adhering to principles of safety, innovation, and green development. The regulation mandates state ownership of rare earth resources and protective mining practices. It outlines the roles of various government departments in managing the industry and establishes a traceability system for rare earth products. Strict penalties are imposed for illegal activities related to rare earth mining and processing.

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## Establishment of Expert Group for Rectifying Rare Earth Industry Order

 [Original Link](#)

**Effective Date:** Not specified

### Summary

- The Rare Earth Office has formed an expert group to support the rectification of the rare earth industry.
- The group consists of experts in technology, finance, and law.
- The initiative aims to institutionalize and normalize the crackdown on illegal activities in the rare earth sector.
- The expert group will assist in areas such as production technology analysis, raw material composition testing, and financial data analysis.
- Members are drawn from industry associations, key rare earth groups, and research and legal institutions.

### Strategic Insights

- Western businesses should monitor the regulatory environment in China's rare earth sector for compliance and strategic planning.
- Analysts should assess the impact of these regulations on global rare earth supply chains.
- Policymakers might consider engaging with Chinese counterparts to understand the implications for international trade.

### Key Provisions

- Formation of an expert group to support industry rectification.
- Focus on normalizing and institutionalizing the crackdown on illegal activities.
- Expertise areas include technology, finance, and legal compliance.
- Support in production technology analysis and raw material testing.
- Involvement of industry associations and key rare earth groups.

### Recommended Actions

- Foreign companies should ensure compliance with new regulations in the rare earth sector.

- Policymakers should evaluate the potential impact on international trade relations.
- Businesses should consider diversifying supply chains to mitigate risks associated with regulatory changes.

## Translation

To continuously advance the special action against illegal activities in the rare earth sector and gradually institutionalize and normalize the rectification work, the Rare Earth Office has established an expert group composed of experts in technology, finance, and law. This group will provide support and assistance in areas such as production technology analysis, raw material composition testing, financial data analysis, and lawful 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, and research and legal institutions.

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