

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, promoting high-quality development of the industry.
- It applies to all activities related to the mining, refining, and trading of rare earths within China.
- The regulation emphasizes the dual focus on resource protection and development, adhering to principles of safety, innovation, and green development.
- The state owns rare earth resources, and unauthorized exploitation or damage is prohibited.
- The regulation introduces a system for total quantity control and dynamic management of rare earth mining and refining.

Strategic Insights

- Western businesses should monitor China's rare earth policies closely as they can impact global supply chains.
- Analysts should assess the implications of China's emphasis on green and innovative technologies in the rare earth sector.
- Policymakers might consider engaging with Chinese counterparts to understand the regulation's impact on international trade.

Key Provisions

- The regulation mandates that rare earth resources are state-owned and protected by law.
- A unified national plan for the development of the rare earth industry is required.
- The regulation encourages research and application of new technologies in the rare earth sector.
- Enterprises must comply with environmental, safety, and production standards.
- A traceability system for rare earth products is established to ensure compliance and prevent illegal activities.

Recommended Actions

- Foreign companies should ensure compliance with the new regulations if involved in the rare earth supply chain.
- Policymakers should evaluate the potential impact on international trade and consider diplomatic engagement.
- Businesses should explore partnerships in technology and innovation to align with China's strategic direction.

Translation

The State Council of the People's Republic of China has issued the 'Regulations on Rare Earth Management,' which were approved at the 31st executive meeting on April 26, 2024, and will be effective from October 1, 2024. The regulations are designed to protect and utilize rare earth resources effectively, promote high-quality development of the rare earth industry, and ensure ecological and national resource security. They apply to activities such as mining, refining, and trading of rare earths within China. The regulations emphasize the importance of balancing resource protection with development, adhering to principles of safety, innovation, and green development. Rare earth resources are state-owned, and unauthorized exploitation or damage is prohibited. The regulations also introduce a system for total quantity control and dynamic management of rare earth mining and refining.

Regulations 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 of the rare earth industry.
- It applies to activities related to the extraction, refining, and trade 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 will be implemented.
- The regulation encourages technological innovation and the development of new materials and equipment in the rare earth sector.

Strategic Insights

- Western companies should monitor China's rare earth policies closely, as they may affect global supply chains.
- Analysts should assess the potential impact of these regulations on the pricing and availability of rare earth materials.
- Policymakers should consider the implications of China's control over rare earth resources for national security and technological development.

Key Provisions

- Rare earth resources are state-owned, and protective mining practices are mandated.
- The regulation establishes a traceability system for rare earth products to ensure compliance.
- Only designated enterprises may engage in rare earth extraction and refining.
- Violations of the regulation can result in significant fines and penalties, including business license revocation.
- The regulation mandates the use of advanced technologies for the comprehensive utilization of secondary rare earth resources.
- A rare earth reserve system combining physical and in-situ reserves will be established.

Recommended Actions

- Foreign companies should ensure compliance with the new regulations to avoid penalties and disruptions.
- Businesses should explore partnerships with Chinese firms to gain insights into the local regulatory environment.
- Policymakers should engage in dialogue with Chinese counterparts to understand the strategic implications of these regulations.

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 ecological and national resource security. It applies to activities related to the extraction, refining, and trade 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 will be implemented, and technological innovation is encouraged. Violations of the regulation can result in significant fines and penalties, including business license revocation.

Establishment of Expert Group for Rectifying Rare Earth Industry Order

[Original Link](#)

Effective Date: Not specified

Summary

- The Rare Earth Office has established 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.
- Experts will assist in production technology analysis, raw material composition testing, financial data analysis, and legal administration.
- Members are drawn from industry associations, key rare earth groups, and research and legal institutions.

Strategic Insights

- Western businesses should monitor developments in China's rare earth policy for potential impacts on global supply chains.
- Analysts should assess how the institutionalization of enforcement might affect market dynamics and compliance costs.
- Policymakers should consider the implications of China's regulatory approach on international rare earth trade and security.

Key Provisions

- Formation of an expert group to support industry rectification.
- Focus on technology, financial, and legal expertise to aid enforcement.
- Normalization and institutionalization of rare earth industry regulation.
- Support for production technology analysis and raw material testing.
- Financial data analysis and legal administration as key areas of focus.

Recommended Actions

- Foreign companies should ensure compliance with China's rare earth regulations to avoid disruptions.
- Policymakers should engage with Chinese counterparts to understand regulatory changes and their global implications.
- Businesses should diversify supply sources to mitigate risks associated with regulatory changes in China.

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 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, and research and legal institutions.
