
China to scrap administrative fees for individual-owned businesses

BEIJING, Aug 23 (Xinhua) -- China is to cancel the decade-old administrative fees for individual-owned businesses and market vendors from Sept. 1.

The cancellation was announced by the Ministry of Finance (MOF), National Development and Reform Commission and the State Administration for Industry and Commerce (SAIC) in a joint circular on the MOF website, www.mof.gov.cn.

The move is aimed at cutting costs of individual business owners and encouraging more people to start businesses in a bid to create jobs.

The government vowed in February to help 10 million urban dwellers find jobs this year.

The administrative fees had been collected by local SAIC agencies for approximately two decades and were criticized by individual business owners as being too burdensome, almost twice as much as business taxes.

The administrative fees were previously targeted at establishing local markets, covering small business owners and vendors' service charges from local market watchdogs and recovering some of the operational costs of local SAIC authorities.

The charges vary from region to region, but constitute an important revenue source for local authorities.

A few areas including Beijing, Shanghai and Zhejiang had already abolished the fees.

The administrative fee has been blamed for the reduction in the number of individual business owners from 31.6 million in 1999 to less than 26 million in 2006.