

**MEMORANDUM OF UNDERSTANDING
ON CONSUMER PROTECTION MATTERS
BETWEEN THE STATE ADMINISTRATION
FOR INDUSTRY AND COMMERCE OF
THE PEOPLE’S REPUBLIC OF CHINA
AND
THE FEDERAL TRADE COMMISSION
OF THE UNITED STATES OF AMERICA**

The State Administration for Industry & Commerce of the People’s Republic of China (SAIC) and the Federal Trade Commission of the United States of America (FTC) (hereinafter referred to as the “Participants”),

Recognizing that the Participants have been charged in the consumer protection area with the mission of protecting consumers from unfair, deceptive and fraudulent practices in related areas in their respective countries, according to their respective national laws and regulations in force;

Recognizing that unfair, deceptive and fraudulent practices can undermine confidence in the marketplace as well as legitimate rights and interests of consumers, and that it is vital to prohibit such practices;

Recognizing the importance of mutual cooperation in the area of consumer protection as permitted by their respective national laws and by their respective institutional missions;

Have reached the following understanding:

Part I: General Cooperation

Subject to Parts IV and V of this Memorandum, the Participants intend to use their best

efforts to cooperate in the area of consumer protection, including, but not necessarily limited to:

1. exchanging views on consumer protection issues of common interest;
2. exchanging information concerning consumer protection laws, regulations, policies and other consumer protection-related subjects as mutually agreed by the Participants;
3. exploring the possibility of working together to sponsor or participate in symposia, seminars or workshops on issues relating to consumer protection;
4. exploring the possibility of conducting personnel training in the area of consumer protection; and
5. exploring the possibility of conducting mutual visits relating to important consumer protection issues that are of mutual concern.

Part II: Education

The Participants intend to use their best efforts to exchange information, including ideas and practices, relating to consumer and business education in the area of consumer protection.

Part III: Consultations

- A. The Participants intend to consult with one another as appropriate to discuss issues relating to cooperation under this Memorandum. The Participants intend to agree upon the location and timing of such consultations in advance.
- B. The Participants intend to resolve any discrepancies or disputes arising out of the

interpretation or application of this Memorandum through such consultations.

Part IV: Discretionary Nature of Cooperation and Effect

It is understood that the Participants do not intend to engage in any activity that is prohibited by their respective national laws, enforcement policies, or other interests. This Memorandum is not intended to create binding obligations under international law.

Part V: Confidentiality

- A. It is understood that the Participants do not intend to communicate information to the other Participant if such communication is prohibited by the laws governing the Participant possessing the information or would be incompatible with that Participant's interests.

- B. Unless otherwise agreed upon through consultation between the Participants, each Participant intends, to the fullest extent possible consistent with its laws, to maintain the confidentiality of any information communicated to it in confidence by the other Participant under this Memorandum.

- C. Each Participant intends to oppose, to the fullest extent possible consistent with its laws, any application by a third party for disclosure of such confidential information. Nothing in this Memorandum prevents disclosure to third parties if such disclosure is required by the law of the Participant to whom the information was provided. The Participant to whom the information was provided should notify the Participant who provided the information at least ten days in advance of

any such proposed disclosure, or if such notice cannot be given, then as promptly as possible.

Part VI: Effective Date

This Memorandum enters into effect on the date of signature. Either Participant may discontinue cooperation under this Memorandum at any time. If a Participant intends to discontinue cooperation, it should endeavor to notify the other Participant in written form in advance.

Signed in duplicate, in the English and Chinese languages, at Washington, D.C. on this 12th day of June 2007, with the English and Chinese versions being equally valid.

Zhou Bohua (Minister of the State Administration for Industry and Commerce of the People's Republic of China)

Representative of the State Administration for Industry and Commerce of the People's Republic of China

Deborah Platt Majoras (Chairman of the Federal Trade Commission of the United States)

Representative of the Federal Trade Commission of the United States of America