

Translation



The following document from 2014 describes the types of permits and certifications that private Chinese companies need to bid for military contracts. These qualifications vary depending on the level of classification and sensitivity of the defense contracts involved.

Title

Opinions on Measures to Accelerate the Absorption of Leading Private Enterprises into the Domain of Scientific Research, Production, and Maintenance of Weapons and Equipment
关于加快吸纳优势民营企业进入武器装备科研生产和维修领域的措施意见

Author

The Chinese People's Liberation Army (PLA) General Armament Department (总装备部), the State Administration of Science, Technology and Industry for National Defense (SASTIND; 国防科技工业局; 国防科工局), and the National Administration of State Secrets Protection (国家保密局)

Source

Sohu (搜狐). Sohu is a major privately operated (民营) Chinese web portal. This document was promulgated on May 20, 2014 and was uploaded to Sohu on August 1, 2014. The document is also known as "General Armament Department (2014) Document No. 809" (装计【2014】第809号).

The Chinese source text is available at:

<https://web.archive.org/web/20201118185049/https://m.sohu.com/n/461930354/>

Translation Date

December 18, 2020

Translator

Etcetera Language Group, Inc.

Editor

Ben Murphy, CSET Translation Lead

In recent years, with the constant refinement of China's systems for national defense science, technology and industry administration and weapons and equipment procurement, the system for providing access to the fields of weapons and equipment scientific research, production and maintenance has gradually been put on a sound footing. From different administration perspectives, the State Council and the relevant military departments have carried out secrecy qualification review and certification of weapons and equipment scientific research and production units (hereinafter referred to as "secrecy qualification certification") and a system for weapons and equipment quality system certification ("quality system certification"), and have established a weapons and equipment scientific research and production licensing system ("licensing review"), and a qualification review system for contracted equipment manufacturers ("qualification review"). The establishment of these administrative systems has played an important role in improving weapons and equipment scientific research and production capabilities, increasing the quality and efficiency of weapons and equipment construction, and ensuring the security of state secrets.

With the continuous refinement of China's socialist market economic system and the rapid development of the national economy, there has been constant growth in the scale and capabilities of private enterprises (民营企业), and they have gone to the forefront of some

industries. Actively attracting strong (优势) private enterprises into weapons and equipment scientific research and production and maintenance fields breaks industry monopolies and stimulates the vitality of innovation. This has great significance for boosting the effectiveness of equipment procurement. The Third Plenum of the 18th Central Committee of the Chinese Communist Party (CCP) expressly requires "promoting in-depth development of military-civil fusion (军民融合)" and "channeling private enterprises to enter military product scientific research, production and maintenance fields." Facing a new situation and new requirements, the existing access system and administrative work has certain problems, such as poor connections between systems, cumbersome review procedures, long approval cycles, and high entry "thresholds." In order to root weapons and equipment construction in the foundation of the nation's most advanced S&T and industrial systems, improvement of the existing access administration system is urgently needed.

I. General Outlook and Target Requirements

To accelerate the absorption (吸纳) of strong private enterprises into weapons and equipment scientific research, production and maintenance fields, we must be guided by the spirit of the Third Plenum of the 18th CCP Central Committee and the series of important instructions from President Xi on promoting the in-depth development of military-civil fusion, be driven by the requirements of weapons and equipment construction, insist on being problem-oriented, and eliminate barriers to entry. We must establish: Entry coordination mechanisms, smooth acceptance channels, simplified work procedures, lower "thresholds" for entry, and strengthened supervision and management. We must increase the efficiency and fairness of resource allocation for weapons and equipment construction, and we must construct an access management system for weapons and equipment scientific research, production and maintenance fields that is smoothly coordinated, straightforward and standardized, efficient and orderly, and secure and classified.

Before the end of 2014, a categorization-based review system shall be established, interdepartmental review work coordination mechanisms shall be refined, duplication of reviews will be reduced, sites for acceptance of reviews of qualifications will be uniformly established, and relevant administrative regulations will be amended and refined; by the end of 2015, relevant supporting systems and mechanisms will be established, joint supervision management and exit mechanisms will be refined, and there will be a significant increase in the number of private enterprises undertaking weapons and equipment scientific research, production and maintenance tasks, as well in the level of tasks.

II. Main initiatives for improving work

1. Implementation of Categorization-Based Review and Access

Based on the degree of importance and classification involved, contract equipment manufacturers (understood here and henceforth to include contracted research units and maintenance units) shall be divided into three types.

Type One is for contracted manufacturers of weapons and equipment in general, and of key, important subsystems and core supporting (配套) products (that is, specializations and

products listed in the *Catalog of Weapons and Equipment Research and Production Subject to Licensing* issued by the State Administration of Science, Technology and Industry for National Defense (SASTIND) and the [People's Liberation Army; PLA] General Armament Department. Licensing reviews and qualification reviews shall be carried out for applicant enterprises on the basis of secrecy qualification certification and quality system certification.

Type Two is for contracted manufacturers of specialized equipment and general supporting products other than those in the *Catalog of Weapons and Equipment Scientific Research and Production Subject to Licensing*. Only a qualification review is performed for applicant enterprises, and licensing review and mandatory weapons and equipment quality system certification will not be required (a weapons and equipment quality management system must be established, and it will be reviewed together with the qualification review). Classification requirements for this class of contract equipment manufacturer: Where the products themselves do not involve secrets but their background, use, etc., involves secrets, a classification agreement shall be signed by the procuring party and the contract equipment manufacturer; where products classified at the confidential level are produced on an emergency or short-term basis, a confidentiality review of the contract equipment manufacturer shall be conducted by the procuring party in accordance with relevant classification standards and procedures, a classification agreement shall be signed, and the classification requirements shall be set forth; where products classified at the secret level or above are produced, or classified weapons and equipment scientific research and production tasks are undertaken on a long-term basis, secrecy qualification certification shall be implemented.

Type Three is for contracted manufacturers of civilian products selected for military use. The applicant enterprise must have established a national-standard quality management system, and only qualification review needs to be conducted (based primarily on the review of documents). No special qualification restrictions are established for enterprises that participate in competitive bidding for civilian products selected for military use. All enterprises whose products and services meet the bidding requirements can participate in the bidding, and enterprises with winning bids can register their Type Three contract equipment manufacturer qualifications following qualification review.

To actively encourage the independent innovation (自主创新) research of enterprises, a qualification review does not need to be conducted for units that undertake applied basic research and application development research within the equipment advanced research program.

2. Establish interdepartmental review work coordination mechanisms

Mechanisms for coordinating secrecy qualification certification, quality system certification, licensing review and qualification review work shall be established, with the organizational forms and content of work collaboration clearly specified. A system for regular coordination shall be established, so as to guarantee mutual coordination and simultaneous advancement of reviews and other aspects. Strict time requirements shall be imposed for various points in review work to ensure that reviews and approvals are completed on time. For Type Two

contract equipment manufacturers that are unable to obtain their secrecy qualifications in a timely fashion due to procedural reasons, their contract equipment manufacturer qualifications can be registered first, with the enterprises required to obtain the corresponding secrecy qualifications prior to signing classified contracts.

3. Improve quality system certification work

Mandatory weapons and equipment quality system certification shall be implemented for Type One contract equipment manufacturers, while Type Two and Three contract equipment manufacturers can voluntarily apply for weapons and equipment quality system certification. The quality system certification process will be simplified, the recommendation phase of certification applications will be eliminated, and certification approval procedures will be streamlined, so as to limit the length of the certification and registration cycle to 6 months. We shall expand the number of certification bodies, and certification bodies that have passed secrecy review and possess good reputations and high audit capacity shall be incorporated to participate in certification. Classification-based (分级) certification of quality systems will be implemented gradually.

4. Gradually promote joint review of licensing and contract equipment manufacturer qualifications

SASTIND and the General Armament Department will amend the *Catalog of Weapons and Equipment Research and Production Specializations (Products) Subject to Licensing*, further streamlining and optimizing the scope and management of licensing reviews, and it will be publicly released after it is declassified. A joint review mechanism shall be established for licensing reviews and qualification reviews, relevant regulations will be amended and refined, and joint review of the "two certifications" will be promoted.

5. Uniformly establish sites for acceptance of qualification review applications

Relying on military representative bureaus (军事代表局) throughout the entire military, or agencies authorized by relevant headquarters departments, sites for acceptance of military qualification review shall be established for applications according to specialization categories or geographical distribution, and they shall be made public. Each application acceptance site will be responsible for conducting formal reviews of application materials for the contract equipment manufacturer qualifications of enterprises, for specifying contract equipment manufacturer categorization and acceptance opinions, and for providing enterprises with relevant policy and regulatory consulting services on whether licensing review, quality system certification, and secrecy qualification certification need to be carried out, and the respective certification levels.

6. Standardize review work on secrecy qualification certification levels

The provincial-level national defense science, technology and industry administrative departments, the headquarters of military industry group companies, and sites for accepting military qualification review applications, shall have their respective areas of responsibility. Based on the classification levels of the projects undertaken or intended to be undertaken by

enterprises, the secrecy qualification certification levels of enterprises shall be audited in accordance with relevant regulations on original classification management (定密管理). In the case of secrecy qualification certification, applicants involved in equipment procurement contracts (including ancillary contracts) for which signing is being arranged under equipment procurement plans issued by the military, applicant enterprises in possession of a secrecy qualification certification level recommendation issued by a military qualification application acceptance site shall proceed to the relevant secrecy qualification certification body to apply for certification.

7. Establish a joint supervision and administration mechanism for contract equipment manufacturer qualifications

A joint supervision and administration mechanism will be constructed for the work of secrecy qualification certification, quality system certification, licensing review and qualification review, and a system will be established among different administrative departments for reporting significant issues and circumstances. Supervision and administration of private enterprises by military representative agencies (军事代表机构) will be intensified, the contract performance credit rating and evaluation and annual qualification monitoring reporting systems will be refined, and exit management mechanisms will be put on a sound footing.

8. Eliminate various fee collection systems

No fees shall be collected from enterprises for the various types of review and certification and supervision and inspection. We will strengthen education and supervision of personnel engaged in review and certification, strictly control the number of on-site reviewers, strictly prohibit disguised collection of fees, and strictly prohibit the marketing of designated facilities and equipment, or training materials, to enterprises. All responsible departments shall make complaint channels open to the public, and shall strengthen discipline supervision and accountability.

III. Work Requirements

All departments and all systems must strengthen organizational leadership, and unify their thinking and understanding. They must recognize more clearly the important significance that improving access system and management work in weapons and equipment scientific research, production, and maintenance fields has in terms of promoting the in-depth development of military-civil fusion, and accelerating and optimizing private enterprise participation in equipment construction; and they must effectively do a good job of studying, understanding, propagating, and implementing the various initiatives. They must effectively perform their duties, act in accordance with the requirements of work tasks, adjust work procedures and refine work systems in a timely fashion, and ensure that all initiatives are put into operation. They must further transform their work style, strengthen their service consciousness, firmly establish their awareness of the big picture (一盘棋思想), and effectively do a good job of linking and coordinating various tasks.