

Customs Clearance

News

January

Shanghai XINHAI
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2018

Customs & CIQ Policy Briefing Issue 1

Policy Interpretation
Classification Insight

Latest News
Forum and Event



Preface

Most Importantly, thank you all for your time and review. Your continuous support to our briefing is a great value to us. Xinhai Customs & CIQ Policy Briefing has been published for 3 years. During this period of time, we received numerous encouragements and feedback from our readers , which inspired us to deliver better performances. Many readers sent inquiries about customs matters which cover a wide range of topics. Some topics are related to the policy updates, and some others are about HS and classification. Besides, our events and forums are also very popular and there are many inquiries for recent schedule. Our E-briefing will always be guided by the needs of our readers and clients. We share insights about hot topics and provide offline forums on a regular basis. Participations and interests are highly welcomed. Your need is our pursuit, and we look forward to your joining.

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Latest News

- The transit declaration is feasible under certain circumstances.
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Classification Insight

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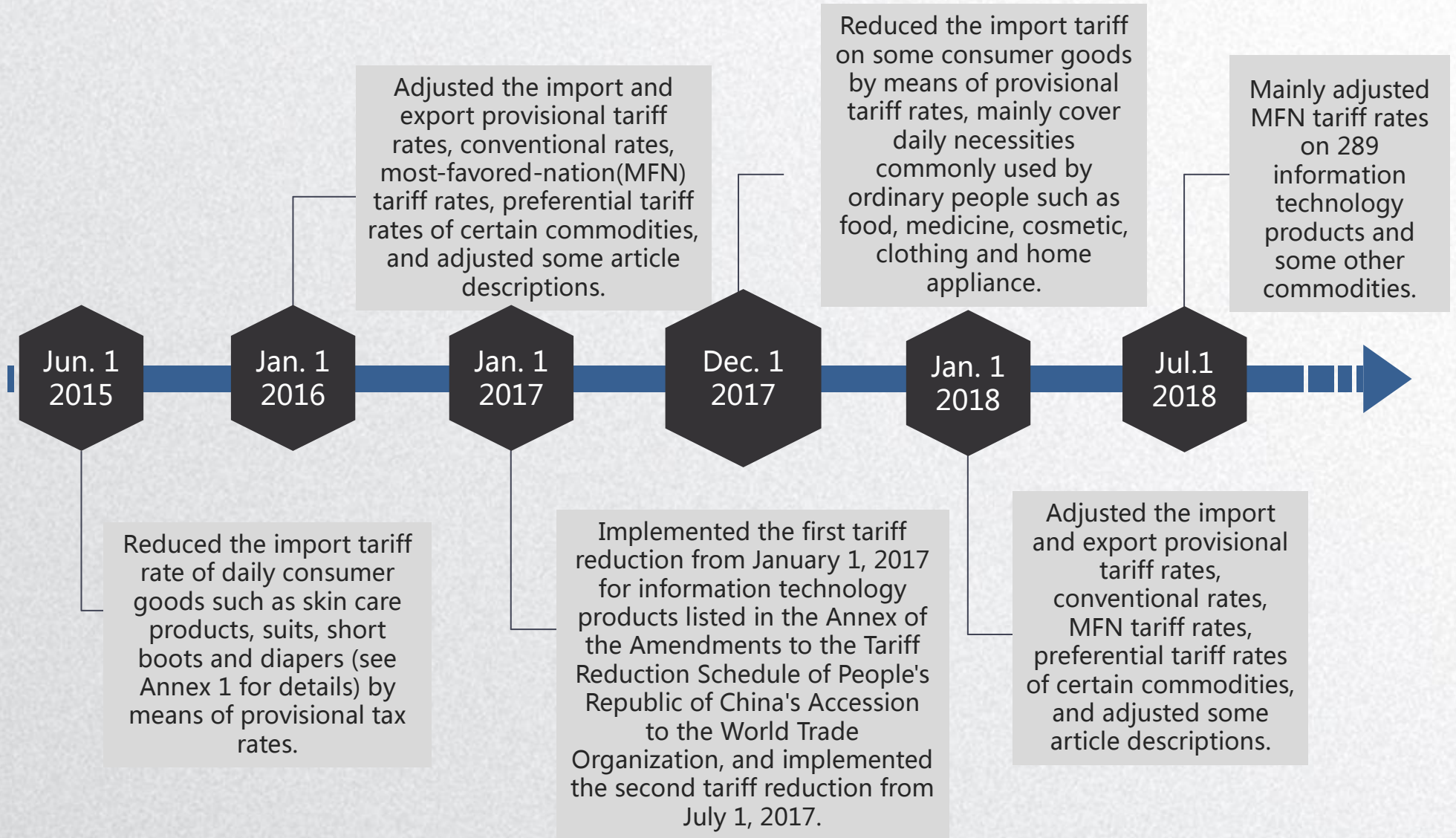


Forum and Event

- The review of 2018 tariff revision forum

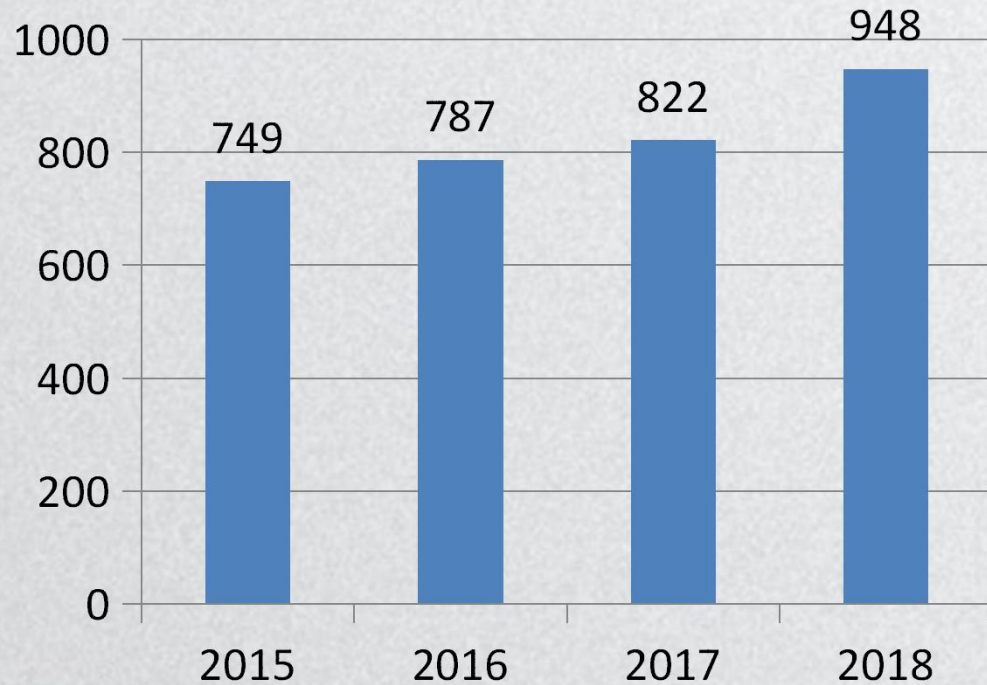
Policy Interpretation--Tariff Revision

Phrases of the revision of tariff



Policy Interpretation--Tariff Revision

Import and export tariff adjustment trend



Numbers of article descriptions that were adjusted

Conventional tariff rate

- More free trade agreements have been signed between China and other countries.
- The agreements are more mutually beneficial on annually basis.
- More products and areas are qualify for zero tariff with respect to conventional rates.

Import tariff

- MFN tariff rates and provisional tariff rates continued declining. The number of goods with provisional tariff rate increased. The number of countries qualifying for China's preferential tariff rates gradually increased.

Export tariff

- More products were exempt for export duties.
- Partial export duty rates reduced.
- Partial export duty rebate rates increased.

Policy Interpretation--Tariff Revision

1. Reduction of classification error rate , and revision of relevant articles

Article descriptions	2017 Version	2018 Version	Explanation
0802.1Almond kernel, fresh or dried, whether or not husked or peeled.	0802.1—almonds	0802.1—Almonds and kernels	Align the breakdown under the primary subhead with the description of the primary subheading
4101.202/502/902 Uncut whole horse skin	4101.202/502/902—horse skin	4101.202/502/902—Equine animal skin	The English articles describe the horse as "of equine animals". In order to maintain consistency between Chinese and English and consistent with the description in the description notes, the description has been changed
4403.9960North American hardwood 4407.9930North American hardwood	4403.9960—North American hardwood (including cherry, black walnut, and maple) 4407.9930—Other North American hardwoods (including black walnut)	4403.9960,4407.9930The description is adjusted to "hard broad-leaved North American wood"	In Announcement No. 65 of 2016, the General Administration of Customs added and adjusted some of the notes to the national subhead on hardwood in North America, so it is no longer listed in the tariff.
The Deletion of toy items under item 9503	9503.003 reduced breakdown under the full set of model components	Delete subheading 9503.003; Under 9503.008, delete 9503.0081 assembled packages or sets; Toys and models for powered units under original item 9503.0082 changed to tax number 9503.0083	Toy categories are numerous and not easy to categorize. It is easier to categorize toys by streamlining their subcategories, and the boundaries are clear.

Policy Interpretation--Tariff Revision

2. Tariff revision examples

HS	Customs description	Article description	MFN rate
2008.9934 (New)	Roasted porphyra	A direct edible food made from dried porphyra and baked. Physical and chemical index: water content ≤ 5, color and lustre is green, has the variety inherent crispy taste, no normal visual acuity visible non-edible foreign body.	15%



Dry porphyra

Air-dry or sun-dry products, and generally are not edible without cooking. HS 1212.2141



Flavored porphyra

Dried porphyra after baking and other processing, adding seasoning, can be used as food or snack food, can be eaten directly. HS 2008.9931



Roasted porphyra

No seasoning. Roasted green porphyra products that barbecued with special equipment for a short period in high temperature. HS 2008.9934

Policy Interpretation--Tariff Revision

2. Case of tariff item adjustment

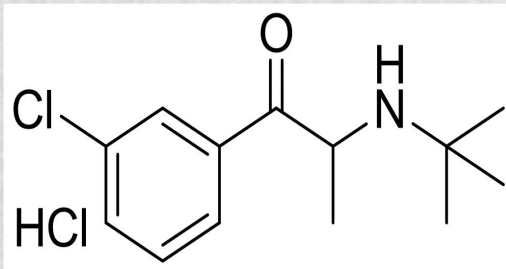
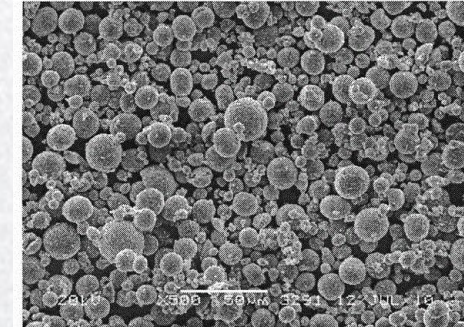


In 2018, a new subheading 3306.9010 was added to the revised version of the tariff, with a provisional duty rate of 5%. The product is widely used and accounts for a large proportion of the volume of trade.

The heading notes for 3306.90 include oral perfume in addition to "mouthwash", but note that heading 3306.9010 refers to mouthwash only, excluding oral perfume (3306.9090)

In 2018, new subheading 2842.9060 lithium nickel-cobalt-aluminum oxide, 2853.9050 nickel-cobalt-aluminum hydroxide were added and MFN tax rate was 5.5%

The above two kinds of commodities are important raw materials for producing battery. Lithium nickel cobalt aluminum oxide is the advanced cathode material of lithium ion battery. Nickel-cobalt-aluminum hydroxide is the precursor of lithium nickel-cobalt-aluminum oxide. China has a large trade volume, so it is convenient to list it separately due to statistical purpose.



In 2018, a new subheading 2922.3920 was added to the tariff revision, 2934.1010 triphenylmethyl aminotaxime acid and 2934.1010 triphenylmethyl aminotaxime acid, with a MFN tax rate of 6.5%.

Acetophenone and its salts are the antidepressant raw drugs developed by our country. Triphenylmethyl aminotaxime acid is an important intermediate of cephalosporin.

Policy Interpretation--Electronic Declaration under FTA- Direct Transport

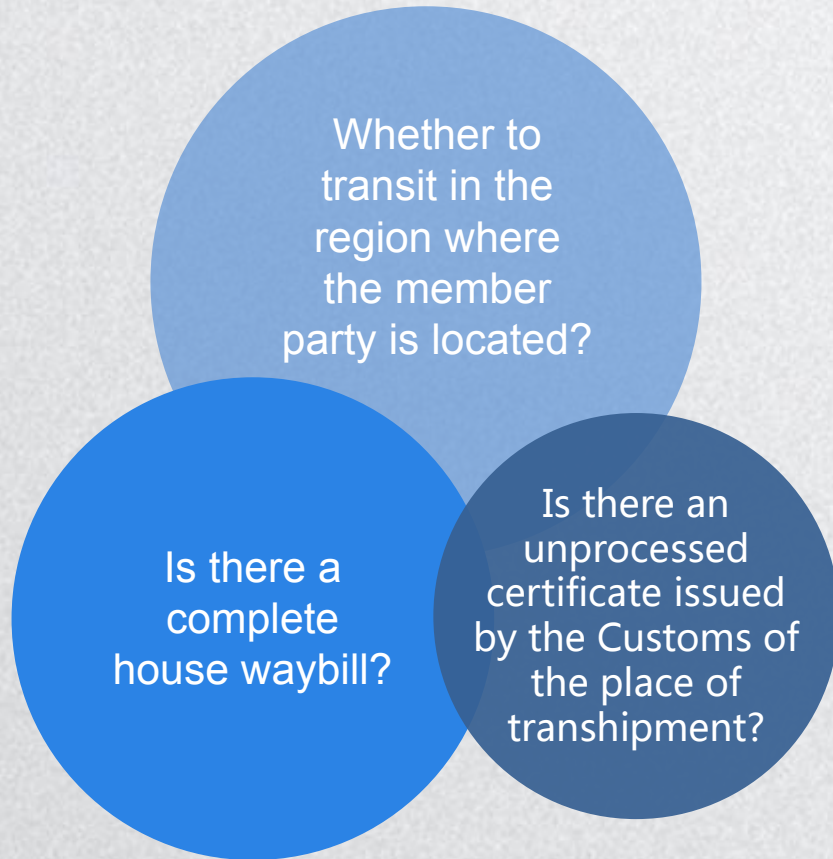
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Announcement No. 67 of 2017 - Further promotion of paperless declaration of goods under preferential trade agreements

- ▶ Preferential certificate of origin paperless declaration
- ▶ Original Certificate of Origin needs to be submitted in accordance with customs requirements
- ▶ The submission of original Certificate of Origin has not been cancelled at present, it can still be declared
- ▶ No change in declaration methods in special regulatory areas

The original work of examining certificates of origin and related documents by customs personnel was transferred to that of the personnel of the enterprise or the customs declaration company. Customs will review the documents that have been declared or released through spot checks and batch checks after the incident to further speed up the efficiency of customs clearance in the incident. Therefore, the compliance management of customs declaration enterprises is the prerequisite to accelerate the efficiency of customs clearance.

Policy Interpretation--Electronic Declaration under FTA- Direct Transport



Whether to transit in the region where the member party is located?

For example, both the sending and transit countries are members of ASEAN, where customs consider the logistics chain to be sufficient for direct transport, without the need to provide the following information. In addition to ASEAN, there are five Asia-Pacific countries and members of regional groups under preferential agreements (see General Customs Proclamation No. 11 of 2017 for details).

Is there a complete house waybill?

It must be a single house waybill issued by the carrier, for example, an enterprise engaged in international courier service, a civil air transport enterprise or an international liner shipping operator. The single house waybill issued by the non-vessel carrier, except for ship agencies, shall not be used as a reference document.

Is there an unprocessed certificate issued by the Customs of the place of transshipment?

In the case of transit in Hong Kong and Macao., the declaration of preferential certificates of origin to the Customs shall be handled in accordance with the manner described in the announcement No. 60 of the General Administration of Customs of 2015 (on the relevant documents relating to the import of goods transited through Hong Kong and Macao under the preferential trade agreements).

Latest News—Standardize the Operation of Transit Mode

There are several situations where you can still operate in transit mode.

01 Combined transport cargo

There are two types of goods, one is multimodal cargo, in the course of the transport of different means of transport and issued a bill of lading; The other is non-multimodal transport, but there are also import and export goods with a full transport bill and a domestic replacement of the means of transport.

02 Imported solid waste, goods not suitable for inspection at ports

The conditions of Article 2 and Article 3 of No. 48 of 2017 must be met in order to operate through the mode of customs transfer.

03 Special logistics form

Mail, Mail, express, temporary import and export goods (including goods under ATA documents), transit goods, CEIBS cargoes, market procurement export goods, cross-border electronic commerce retail import and export goods, Duty-free goods and articles for official use by diplomatic, resident agencies and personnel

04 Circulation of goods

Before the completion of the Canadian trade system, the establishment of a transitional period, special regulatory areas (bonded regulatory places) between the flow of goods before June 30th 2018, enterprises can continue to use the customs mode for handling.

Latest News—Standardize the Operation of Transit Mode



General announcement of the General Customs No. 48 of 2017 (on the Regulation of Customs and Transportation Business)



Announcement of the General Administration of Customs No. 86 of 2016 (notice on the Administration of the Circulation of bonded goods in Special areas and places under bonded Supervision of Customs)

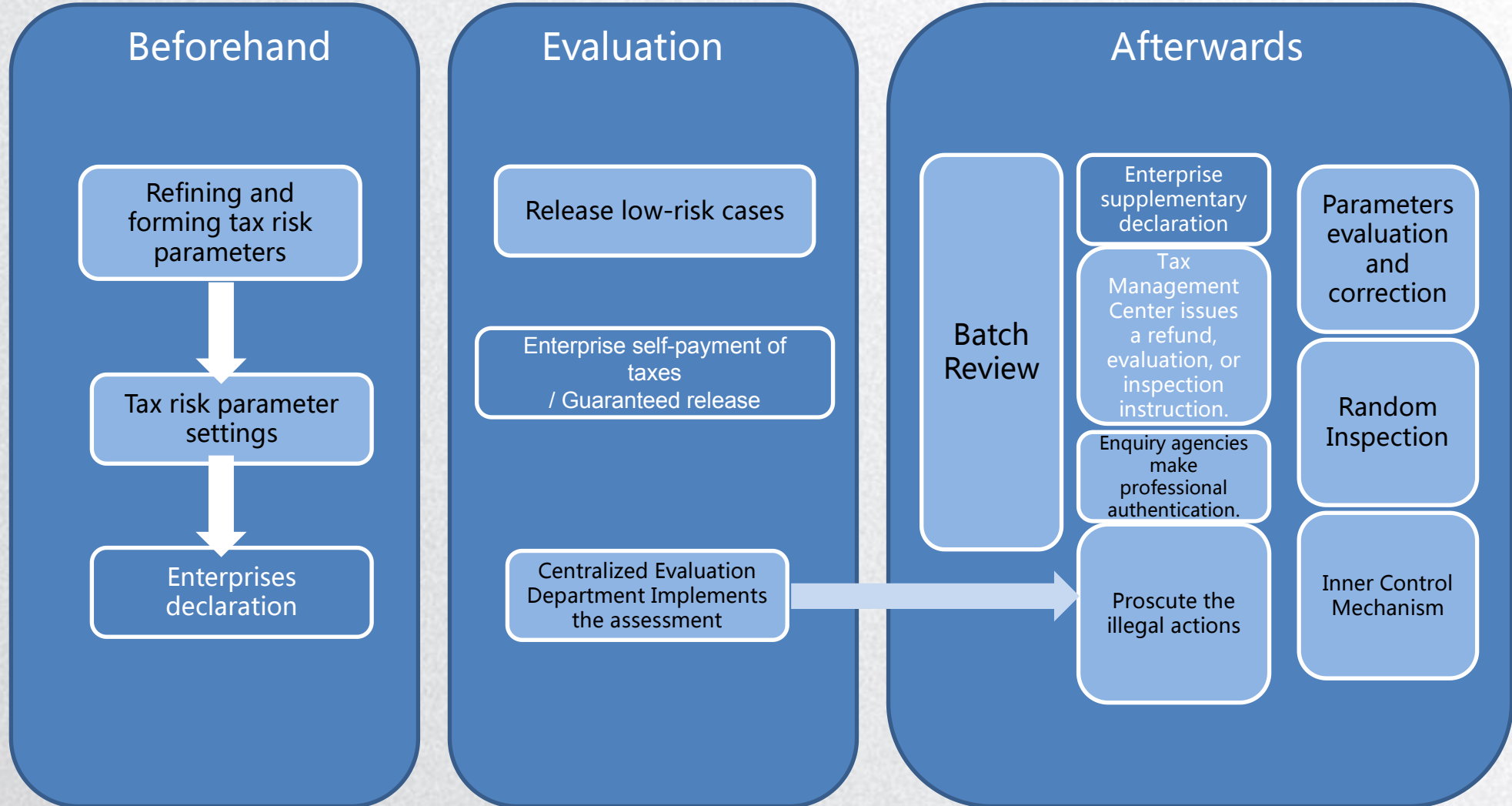


Announcement of Shanghai Customs on the Adjustment of Customs procedures for Special Supervision areas and bonded Logistics Center Type B) Front-line entry and exit cargo clearance



Announcement No. 235 of the General Administration of Customs (on the promulgation of the decision of the General Administration of Customs on the Amendment of certain regulations)-measures of the Customs of the people's Republic of China on the Control of goods transferred from Customs to Customs

Latest News--Centralized Evaluation



Latest News--Centralized Evaluation



Pudong Airport Customs

The first four digits of the customs declaration numbers are 2233, 2244, and 2216.

Hongqiao Airport Customs

The first four digits of the customs declaration number is 2203

Shanghai Customs Business Bureau Three

The rest of the documents are centrally assessed by the department

The central assessment department is mainly responsible for completing the work according to the instructions of the tax administration center.

Collect documents during and after the event, communicate with the enterprise, and provide the feedback to tax administration center (which may trigger tax repayments / transfers, etc.)

The link may involve a logical audit between the elements of the commodity declaration and the product name and the commodity code, or the onsite examination of some high-risk commodities on the spot.

After the main link is to classify, price, origin and other tax-related factors to review, may require enterprises to provide additional product descriptions, price composition or original certificate of origin and other information. To assist in the collection of relevant information for centralized job evaluation and to assess the completeness and compliance of the declaration.

Classification Insight --What is pre-determination in classification

- Pre-determination means: before the actual import and export of the imported and exported goods, Customs broker shall apply to the Customs in the form prescribed by the Customs. The act of determining the tax code number and issuing a "decision on the classification of customs goods" according to the relevant provisions.

- A "pre-determination application" should cover only one category of customs services

- Pre-determination is valid for 3 years

- The pre-determination has no retroactive effect on goods actually imported or exported prior to its entry into force, and does not apply to events prior to the entry into force of the decision.

- Effective February 1, 2018

- Mandate: Announcement No. 236 of the General Administration of Customs (on the promulgation of the interim measures of the people's Republic of China on the Administration of Customs Pre-adjudication)

Classification Insight --The difference between pre-determination and other classification regulations

	Classified Decision	Administrative Action	Pre-classification	Pre-determination
Applicant	Initiated by the customs itself, the general administration of customs classifies imported and exported goods according to the provisions and changes of relevant laws and administrative regulations	Initiated by a relative party, that is, a foreign trade operator or consignee or agent of import and export goods	Initiated by a relative party, that is, a foreign trade operator or consignee or agent of import and export goods	Initiated by a relative party, that is, a foreign trade operator or consignee or agent of import and export goods
Time of application	The General Administration of Customs shall apply the system on its own initiative and amend the relevant laws and regulations when they are issued or when the original provisions are changed	Three months before the goods are to be imported or exported	45 days before the actual import and export	Submit a written application to the General Administration of Customs or directly under Customs three months before the intended import or export of the goods
Licensing authority	General Administration of Customs	General Administration of Customs or Authorized Agency	Regional Customs office	General Administration of Customs or Authorized Agency
Force of law	It has universal binding force and is applied uniformly in the territory of our country.	It has universal binding force and is applied uniformly in the territory of our country.	Valid only for the applicant and the immediate customs authority that made the decision	Valid for applicants only throughout the country
The relationship between those three	The administrative decision relating to the classification of goods is the basis of the decision of pre-categorization, and the administrative decision relating to the classification of goods is an effective supplement to the law.			A pre-adjudication system to promote trade security and facilitation, optimize the business environment and enhance the predictability of enterprises' import and export trade activities

Events Forum



On January 20, the 2018 Tax Adjustment Plan and Declaration Form Explanation Forum sponsored by Shanghai Tianhai Consult Customs Affairs Management and Consult Co., Ltd. and assisted by the TPW Class and Shanghai Xinhai Customs Clearance Co., Ltd. was held. The keynote speaker was selected by the Shanghai Customs as an “excellent categorizer” who is responsible for the final appeal and categorization training of pre-classified submissions. The lecture will focus on the 2018 tariff adjustment scheme, commodity classification skills and points for attention, new commodity classification case analysis, how to reduce enterprise risk and customs declaration to add items to fill in the contents. It also interacts with the representatives of the present enterprises to solve the urgent need of enterprises in customs clearance, and it is convenient for enterprises to make good use of the new rules, to obtain more dividends in foreign trade operations, and to reduce the risk of customs clearance.

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