# **Customs Clearance**

News

July

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## 2018

## Customs Consulting of Xinhai Newsletter in July

- Customs Clearance new policy
- Notice on revision of new customs declaration form
- Company Latest Dynamics
- Hot spot salon



### Contents

01

03

#### Customs Clearance new policy

- Focus onSino-U.S. trade war imposing retaliatory tariffs
- On July 1, a number of tax reduction policies began to be implemented.

#### Company Latest Dynamics

- Xinhai won the title of " outstanding customs declaration enterprise in Shanghai customs area in 2017"
- Yangpu district party Committee secretary visits Xinhai to hear about Xinhai's participation in China's international import Expo

02

#### Notice on revision of new customs declaration form

- · New regulation on customs inspection and integration declaration form
- Matters needing attention in reporting new items / adjustments

04

#### Hot spot salon

Internal training of the company about customs inspection and integration of new declaration form



#### Focus on Sino-U.S. Trade War -Imposing Retaliatory Tariffs



2018. Jan-Feb

•Trump government announced that "it will adopt four-year and three-year global safeguard measures for imported large-scale washing machines and photovoltaic products respectively, and will levy tariffs of up to 30 % and 50 % respectively."

Trump government announced " 109.95 % anti-dumping duty on cast iron sewage pipe fittings imported from China"; The U.S. department of commerce announced that " 48.64 % to 106.09 % of anti-dumping duties and 17.14 % to 80.97 % of anti-subsidy duties will be imposed on Chinese aluminum foil manufacturers."

•Trump formally signed the tariff decree " imposing 25 % and 10 % tariffs on imported steel and respectively"; aluminum Trump government announced " imposition of 50 billion dollars in tariffs on Chinese goods due to infringement of intellectual property rights imposition of investment restrictions":

2018. April

•The U.S. government has issued a list of goods subject to tariffs, imposing 25 % tariffs on 1333 items of 50 billion U.S. dollars worth of goods imported from China into the States. United President Trump asked the U.S. trade representative office to impose additional tariffs on 100 billion U.S. dollars of Chinese imports based on the 301 investigation. This practice seriously violates the rules of international trade.

2018. May

•The U.S. White House announced that it would levy a 25 % tariff on 50 billion dollars worth of goods China imported from containing important industrial technology". These include commodities related to the " made in China 2025" plan. The final list of imported goods will be announced on June 15. 2018 and duties will be imposed on these imported products soon.

•On June 15, the U.S. government issued a list of goods subject to tariff increase, imposing a 25 % tariff on about 50 billion U.S. dollars worth of goods imported from China, of which 34 billion U.S. dollars worth of goods will be subject to tariff increase starting July 6, 2018, while the public will be consulted on about 16 billion U.S. dollars worth of goods subject to tariff increase. At 00: 01 on July 6, 2018 (Beijing time 12: 01 on the July 6th ), the United States began imposing import duties of 25 % on 818 categories of Chinese goods on the first batch of lists

China

•Chinese Commerce Ministry has released a list of products to suspend concessions for 232 U.S. imports of steel and aluminum products and solicited public opinions, which intends to impose tariffs on some products imported from the United States in order to balance the losses caused to China's interests by the U.S. imposition of tariffs on imported steel and aluminum products. Among them, it is planned to levy duties on U.S. fruits, pork, wine, seamless steel tubes and over 100 other commodities worth 3 billion us dollars.

on 128 items of 7 categories of imported goods originating in the United States and imposes tariffs on the basis of the current applicable tariff rate; The Commerce Ministry issued announcement No. 34 of 2018, which will impose tariffs on imports of soybeans and other agricultural products automobiles chemicals airplanes

•China suspends tariff concession obligations

products, automobiles, chemicals, airplanes and other commodities originating in the United States at a rate of 25 %, involving goods import from the United States in 2017 of about \$ 50 billion.

•At the same time, with the approval of the State Council, the customs tariff Committee of the State Council issued a public notice and decided to impose 25 % tariffs on 659 items of imports of about 50 billion dollars originating in the United States, of which 545 items of about 34 billion dollars of agricultural products, automobiles, aquatic products and other commodities will be subject to tariffs starting July 6, 2018, and the implementation time for imposing tariffs on other commodities will be announced

At 12: 01 on July 6, 2018, China imposed tariffs on June-July some imports from the United States.

2018.

#### Focus on Sino-U.S. Trade War - Imposing Retaliatory Tariffs



Notice of the customs tariff Committee of the State Council on suspension of duty concession obligations for some imported goods originating in the United States (tax Committee [ 2018 ] No. 13 )

Announcement on imposing tariffs on some commodities originating in the United States (16 June 2018)

Pay close attention to the U.S. government's levy or not, and wait for further announcement by the commerce department.

The U.S. government has released a plan to increase tariffs on 200 billion U.S. dollars of Chinese goods

•Starting from April 2, 2018, China has suspended its duty reduction obligations on 128 imported goods of 7 categories originating in the United States and imposed tariffs on top of the current applicable tariff rate.

•7 categories of imported goods: some nuts, some fruits, wine, ginseng, steel pipes, some pork, aluminum scrap •It was decided to impose tariffs on imports of soybean and other agricultural products, automobiles and aquatic products originating in the United States, with a tax rate of 25 %, involving Chinese import from the United States in 2017 amounting to about 34 billion us dollars.

•List 1 of goods subject to customs duties imposed on the United States and Canada by the customs tariff commission of the state Council •China plans to impose an import tariff of 25 % on chemicals, medical equipment, energy products and other commodities imported from the United States, involving about 16 billion us dollars of China's import from the United States in 2017. the final measures and the effective time will be announced separately.

•List 2 of goods subject to customs duties imposed on the United States and Canada by the customs tariff commission of the state Council

•The U.S. trade representative's office ( USTR ) issued a statement on Tuesday, July 10 at Washington time. Trump government issued a plan to increase tariffs on 200 billion dollars of Chinese goods. The list of target products involves clothing, TV parts and refrigerators, and the tariffs imposed are about 10 %. This expands the types of goods involved in trade disputes between the two countries. The plan will not take effect immediately. The hearings will be held from August 20 to August 23 and may take effect after the public consultation on August 30.

#### •On July 1, a number of tax reduction policies began to be implemented.



Announcement of the tax Committee [ 2018 ] No. 4 announcement of the customs tariff Committee of the state Council on reducing import tariffs on consumer goods

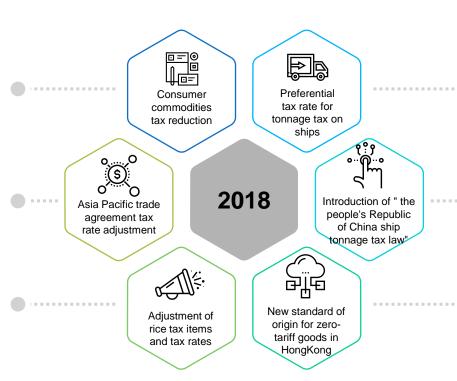
Starting from July 1, 2018, the most favored nation tax rate on imported consumer goods for 1449 tax purposes will be reduced

Therefore, the provisional tax rate for 210 most favored nation imports was cancelled.

Announcement of the general administration of customs No. 65 of 2018 ( announcement on implementing the agreement tax rate of the second amendment to the Asia-Pacific trade agreement )

Since July 1, 2018, the total agreed tax rate amended by the announcement is 8549, of which 2323 tax items have been further reduced.

General administration of customs announcement No. 78 of 2018 (on adjustment of rice tax items and rates) Starting from July 1, 2018, the tax items and rates of rice in import and export tariff will be adjusted. Please refer to the website of the Ministry of finance for the table of adjustment of rice tax items and rates in import and export tariff.



Announcement of the general administration of customs No. 80 of 2018 ( announcement on issuing a list of countries ( regions ) that apply preferential tax rates for ship tons )

In order to cooperate with the implementation of the "People's Republic of China ship tonnage tax law", the list of countries (regions) that apply the preferential tax rate for ship tonnage tax will now be released. This announcement will be implemented as of July 1, 2018.

Announcement of the general administration of customs No. 77 of 2018 (announcement on matters related to the implementation of the ship tonnage tax law of the People's Republic of China )

The new laws and regulations will be implemented from July 1, 2018. The electronic information of the ship's tonnage tax license issued is automatically compared by the customs system.

Announcement of the general administration of customs No. 53 of 2018 ( on the announcement of the new HongKong standard of origin for zero-tariff goods and related matters starting July 1, 2018

Starting from July 1, 2018, the scope of new HongKong's zero-tariff goods is consistent with the scope of goods corresponding to the corresponding tariff numbers in the import and export tariff (2018 edition)



#### •New regulation on customs inspection and integration declaration form



- ➤ 1. Announcement of the general administration of customs No. 90 of 2018 ( Announcement on electronic inspection and guarantine documents )
- ➤ 2. Announcement of the general administration of customs No. 89 of 2018 (Announcement on optimizing the supervision of inspection and quarantine of export goods)
- ➤ 3. General administration of customs announcement No. 67 of 2018 ( Announcement on electronic message format for declaration of import and export goods declaration form )
- → 4. Announcement of the general administration of customs No. 61 of 2018 (Announcement on amending the format of import and export cargo declaration forms and import and export cargo record lists)
- ➤ 5. Announcement of the general administration of customs No. 60 of 2018 ( Announcement on amending the code for filling in customs declaration forms for import and export goods of the People's Republic of China )



- 6. Announcement of the general administration of customs No. 50 of 2018 (announcement on matters related to the complete cancellation of the customs clearance form for import / export goods)
- ➤ 7. Announcement of the general administration of customs No. 28 of 2018 (announcement on matters related to the merger of enterprise declaration and inspection qualification)
- ➤ 8. For the new version of the reporting guide for 56 hidden items in import and export cargo declaration forms, there are specific reporting instructions in the "entry guide for customs import and export cargo declaration forms of the People's Republic of China" issued by the statistics department of the general administration of customs.

#### •Matters needing attention in reporting new items / adjustments



Overseas consignee and consignor

The buyer who signs and executes the export trade contract or the consignee designated by the contract, and the overseas consignor usually refers to the seller who signs and executes the import trade contract.

Notes: confirm the English name of the overseas consignee and consignor in advance; Confirm in advance the AEO numbers of the consignees and consignees of EU, South Korea, HongKong, New Zealand, Singapore, Switzerland, Taiwan and other countries that recognize each other with Chinese AEO.

7

Item number relationship of container goods

When using containers to load goods, you need to fill in the container information, including container number, container specification, container commodity item number relationship, and container cargo weight.

Notes: import and export enterprises need to confirm the corresponding relationship with the shipper. Among them, the container commodity item number relationship information is filled with the corresponding commodity item number of a single container, separated by half commas. When filling in the "container cargo weight" column, import and export enterprises are required to provide the gross weight information of the cargo corresponding to each container. However, considering the inconvenience of actual operation, the column is expected to be deleted, subject to the final system version.

Associated number and reason (transitional period

If there is an associated declaration form for import and export goods declaration forms, fill in the relevant associated declaration form number in this column, and select the associated reason for the associated declaration form in the drop-down menu.

Notes: when reporting and sending goods involving import documents, send one of them first.

After receiving the receipt of the request for inspection, filling the receipt number of the request for inspection into the associated number and select the associated reason.

#### •Matters needing attention in reporting new items / adjustments



Select all packing materials for import and export goods, including Packing type transportation packing and other packing, according to the "packing type code table" stipulated by the customs.

> Notes: plant material packaging should be clearly filled in and wood packaging basis ( IPPC ) should be provided. If there is wood or no sign ( not fumigated by ISP M15 ), it should be indicated when reporting. In addition, according to the requirements of the notice No. 60 of 2018 of the general administration of customs, if the import and export goods involve multiple packages, the consignee or consignor is required to provide the package types of all the goods; In the actual operation process, import and export enterprises need to clarify with the shipper which kinds of transportation packages they have and truthfully fill them in. retail packaging of goods is not the focus of attention from the experience of previous inspection and guarantine operations (packaging of plant materials still needs to be declared ).











Commodity code

In addition to pre-recording the original 10 - digit commodity code in the new declaration form, it is also necessary to select the commodity attribute code in the original ECIQ (i.e. the 11th - 13th digit of the 13 - digit commodity code ) or its corresponding Chinese name of inspection and quarantine.

Notes: the consignee and consignor of import and export shall judge how to fill in this column according to the property, structure, usage and national standard of the goods. For goods involving bonded processing, bonded logistics and other record-keeping items, three additional codes of inspection and quarantine or corresponding Chinese names of inspection and quarantine shall be added at the declaration end.

#### •Matters needing attention in reporting new items / adjustments



Departure Port

Fill in the first overseas port of shipment of imported goods before they arrive at the customs territory of our country.

Notes: for goods in transit during transportation, import enterprises need to confirm the first loading port at which the goods will be shipped in advance. Especially in the case of inland transportation, it is necessary to obtain accurate information / documents (e.g. full bill of lading) through communication with the foreign party before reporting.

Place of storage of goods

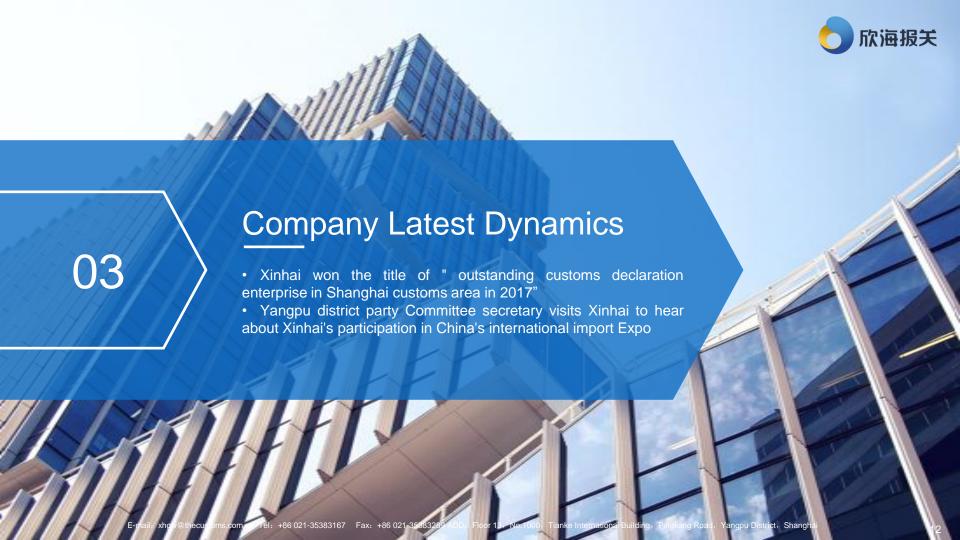
The place where the goods are stored after entering the country, including the work place under customs supervision, distribution warehouse, designated processing factory, quarantine field, enterprise's own warehouse, etc.

Notes: the filling of the storage place of the goods must be accurate. If the filling is wrong, the normal inspection of the goods will be affected. Under normal circumstances, fill in the place or place to which the goods are dropped or distributed. For example, dangerous chemicals enter the country from Yangshan port and the goods are stored in dangerous goods warehouse. at this time, they can be filled in according to the location / name of the warehouse.

Port of entry / exit

For normal entry and exit of goods, fill in the name and code of the first domestic port from which the imported goods are unloaded from the cross-border means of transport, and the name and code of the first domestic port from which the cross-border means of transport is unloaded for export.

Notes: this column is completely different from the "entry / exit clearance" filling standard and filling code. Please treat them differently.



### Xinhai won the title of "outstanding customs declaration enterprise in Shanghai customs area in 2017"







( Xinhai's manager Zhouxin, ( front row, fourth from left ) as a representative to receive the award)

On June 28, the second Council of the fifth Shanghai customs declaration association was successfully held. At the conference, Shanghai customs declaration association commended outstanding customs declaration units in 2017. Shanghai Xinhai Customs Brokerage Co., ltd. won the title of " outstanding customs declaration enterprise in Shanghai customs area in 2017".

The Shanghai customs declaration association builds a communication platform between enterprises and customs with the spirit of integrity and law-abiding, advocating professionalism, self-discipline and standardization, and being pragmatic and innovative, leading the development of customs declaration enterprises in a better direction.

Shanghai Xinhai Customs Brokerage Co, Ltd. has been awarded the vice president unit of China Customs Brokers Association, vice president unit of China Entry-Exit Inspection and Quarantine Association, unit of Shanghai Customs Brokers Association, "national outstanding customs declaration enterprise" in 2016. Meanwhile it is also one of the most influential and optimal customs brokers company with largest scale in China.

### Yangpu district party Committee secretary visits Xinhai to hear about Xinhai's participation in China's international import Expo





Participate in " CIIE" and launch " Shanghai brand"

On the afternoon of July 6, Li Yueqi, secretary of Yangpu district party Committee, accompanied by Gong Shunming, director of Yangpu district business Committee, and Jing Qi, deputy director, visited Shanghai Xinhai Customs Brokerage Co., Itd. to hear about Xinhai's participation in the China International Import Expo. Ge Jizhong, chairman of the board of directors, reported the relevant work and progress of Xinhai's full involvement in the CIIE, the preparation for the comprehensive trade service provider of the CIIE, and the suggestions on how to launch the "Shanghai brand" and "innovate Yangpu" brands so as to cultivate Xinhai's brand. The annual declaration form of Xinhai has exceeded one million tickets. in order to welcome the CIIE, Xinhai is currently making every effort to build a service platform for "entering the CIIE e-customs service" so that our service will face the world!



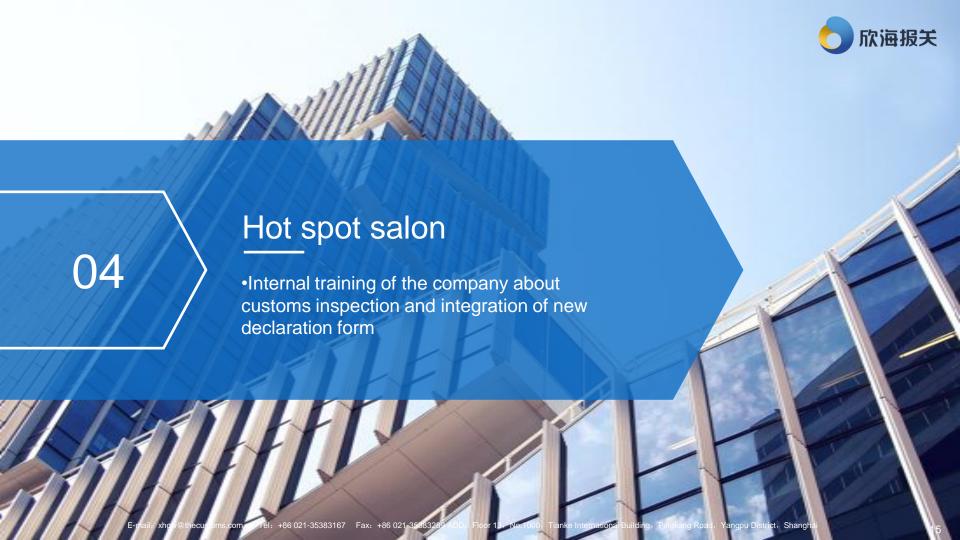
Overcome obstacles and make every effort to contribute to the CIIE

Secretary Li Yueqi pointed out that with the continuous development of cross-border trade and information technology, people are very concerned about the supply chain and cross-border e-commerce. Xinhai has very mature experience in these two areas and is a model of excellent enterprises in Yangpu district. He hopes that enterprises can communicate with the government more and understand the relevant situations and problems so as to communicate and coordinate in time. Li Yueqi also asked about the current difficulties faced by enterprises and hoped that Xinhai would accelerate its transformation and upgrading and make more contributions to the China International Import Expo.



Welcome "CIIE" together

The successful holding of the China international import Expo in November 2018 will strengthen the economic and trade exchange and cooperation among all countries in the world and promote the development of an open world economy. Xinhai will actively cooperate with the brand building of "innovative Yangpu" in Yangpu district, continuously innovate and continuously explore! Xihai will also devote all its efforts to the 2018 China International Import Expo to escort it.



### Internal training of the company about customs inspection and integration of new declaration form





•In order to do a good job in the customs inspection integration declaration project, serve the clients better, and ensure the start-up of the new customs inspection integration declaration form on August 1 is smooth and orderly, the company organized customs experts to hold two special trainings on the customs inspection integration declaration project in July.

•Figure 1: Xu Shaoying, group training manager, maked mobilization speech before training. First of all, on behalf of the group, manager Xu thanks the lecturers and students who took an active part in the training and gave up their rest. Also she gave a brief introduction to the grand occasion of the "Suzhou station" propaganda conference and pointed out that the integration of customs and inspection was continuously advancing and deepening. Finally, she hope everyone can take advantage of this opportunity and digest it in time to smoothly transition to August 1.

Figure 2: Zhu Wei, vice president of the customs clearance department, emphasized the importance of the company attaches to the customs inspection integration declaration project, and then introduced the series of work arrangements to cooperate with the customs inspection integration project. By giving examples to illustrate the changes and risk control points of the declaration form filling standard, we remind everyone to try out the system as soon as possible, be familiar with the corresponding declaration interface, and effectively grasp the standard declaration requirements.

Figure 3: Ding Yuan, customs expert of the customs clearance department, introduced the specification for filling in import and export cargo declaration forms and the specification for adjusting format documents, focusing on the integration of customs inspection and declaration projects, and demonstrated the declaration interface of the new version of declaration forms.

Figure 4: Group practice to learn skills

Figure 5: Students study carefully, their enthusiasm for learning is high, and their desire for knowledge is strong. Prepare for the arrival of August 1 actively.

Figure 4 Figure 5

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