# Customs Clearance

November

Shanghai XINHAI Customs Brokerage Co.,Ltd. Free Subscribe: 400-920-1505 Website: www.thecustoms.com.cn





# Customs Affairs Newsletter in November 2018

New Progress in Improving Efficiency of Customs Clearance Environment / Notice of Tax Reduction / Classification Decision / CIIE and Company Dynamics

Producer: Xinhai Customs Service Team







#### New Progress in Improving Efficiency of Customs Clearance Environment

- ·Several licenses have been verified online
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- •Fully promote the printing reform of " Customs Special Payment Letter"
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#### Notice of Tax Reduction

- •From 2019, China and Australia will conduct the fifth round of tariff concessions
- 3

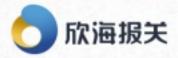
#### Classification Decision

Some World Customs Organization commodity classification opinions are implemented as classification decisions

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### CIIE and Company Dynamics

Xinhai participated in CIIE and contribute to international cooperation





# New Progress in Improving Efficiency of Customs Clearance Environment

In 2018, Chinese customs vigorously implemented various new measures to improve efficiency of customs clearance, while various government agencies also actively participated in the task of improving the business environment. This chapter will lead readers to understand the new developments of Chinese customs and other government departments to create a good customs clearance environment by the end of the fourth quarter.



#### Several Licenses Have Been Verified Online

Import and export license; Import and export license for dual-use items and technologies

 Ministry of Commerce and General Administration of Customs Joint Announcement No.2 of 2013 Certificate of customs clearance for legal fishing products

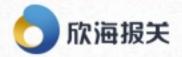
 Announcement No. 49 of 2018 from the State Administration of Endangered Species Import and Export Administration Office of the General Administration of Customs

-2005 2013 2014 2018

- [2000] No. 539 of the Ministry of Foreign Trade and Economic Cooperation
- No. 29 of 2005 of the Ministry of Commerce and the General Administration of Customs

Automatic import license

 Ministry of Agriculture and General Administration of Customs Joint Announcement No. 2157 of 2014 The Convention on
International Trade in
Endangered Species of
Wild Fauna and Flora
permits import and export
certificates and wildlife
species permits import and
export certificates



#### Several Licenses Have Been Verified Online

Announcement No. 147 of 2018 of the Ministry of Commerce and the General Administration of Customs

•" Technology Export License", " Technology Export Contract Registration Certificate" and " Task Notice for Foreign Aid Projects"

Announcement No. 152 of 2018 of the People's Bank of China and the General Administration of Customs

Permit for Import and Export of Gold and Gold Products" and "Certificate of Bank Transporting RMB Banknotes into and Out of China"

Announcement No. 148 of 2018 of the State Drug Administration and the General Administration of Customs; Announcement No. 142 of 2018 of the General Administration of Market Supervision and Administration and the General Administration of Customs; Announcement No. 148 of 2018 of the State Drug Administration and the General Administration of Customs

•" Permit for Import and Export of Psychotropic Drugs", "Permit for Import and Export of Drugs", "Permit for Import and Export of Narcotic Drugs", "Certificate for Registration of Special Medical Use Formulated Food", "Certificate for Registration of Health Food or Record of Health Food", "Certificate for Registration of Infant Formula Milk Powder Product", "Certificate of Compulsory Product Certification or Certification", "Certificate for Manufacturing of Special Equipment and Type Test", "Certificate for Registration of Medical Devices", "Certificate for Record of First Class Medical Devices", "Certificate for Sanitary Permit for Import of Special Use Cosmetics" and "Certificate for Sanitary Permit for Import of Non - Special Use Cosmetics"

How many licenses have been verified online since November? Announcement No. 146 of 2018 of the Central Propaganda Department and the General Administration of Customs

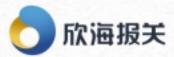
•" Approval Form for Import of Audio Products (Finished Products)" and " Record Certificate for Import of Optical Disc for Overseas Processing"

Announcement No. 149 of 2018 of the State Administration of Radio and Television of the State Film Bureau and the General Administration of Customs; Announcement No. 150 of 2018 of the Ministry of Natural Resources and the General Administration of Customs; Ministry of Science and Technology and the General Administration of Customs Announcement No. 153 of 2018

•" Import Radio, Film and Television Program Band (Film) Extraction Sheet", Export and Exit Approval Document for Fossil of Palaeontology" and "Export and Exit Certificate for Human Genetic Resources Materials"

Announcement No. 151 of 2018 of the Ministry of Industry and Information Technology and the General Administration of Customs; Announcement No. 141 of 2018 of the State Forestry and Grassland Administration and the Ministry of Agriculture and Rural Affairs and the General Administration of Customs; Announcement No. 145 of 2018 of the State Health Commission and the General Administration of Customs

•" Approval Form for Import and Export of Civil Explosives", "Approval Form for Seedling Quarantine", "Approval Form for Quarantine of Imported Tree Seeds and Seedlings", " Safety Certificate for Agricultural Transgenic Organisms (Import)", "Approval Certificate for New Food Raw Materials" and "Standards for Temporary Application of Imported Food without National Food Safety Standards"



## On the Progress of Shanghai's Clearance of Port Charges

According to the Notice of the Ministry of Finance, the General Administration of Customs, the State Development and Reform Commission, the Ministry of Transport, the Ministry of Commerce and the State Administration of Market Supervision on Printing and Distributing the Work Plan for Clearing Port Charges, the city's port charge inspection and clearing work was carried out. The scope of this clean-up and inspection does not include freight (including surcharges), transportation (loading) tool use and maintenance costs, communication and information transmission costs, as well as charging items formed by corresponding services through bidding and negotiation between enterprises.















### On the Progress of Shanghai's Clearance of Port Charges

01

#### SIPG charges publicity website

http://www.portshanghai.com.cn/jtwbs/xinwe n/2016-7/1467363134228.html

02

The Ministry of communications " port charging method"

http://xxgk.mot.gov.cn/jigou/syj/201707/t201 70719\_2977781.html

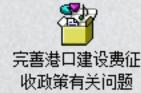
03

Port construction fee (collected by SIPG) Fiscal and tax [ 2015 ] No. 131



#### Other legal basis:

- Notice of the National Development and Reform Commission on Releasing Some Fees for Inspection and Testing Services (NDRC Price [ 2015 ] No. 1299 )
- Notice on lowering the quarantine treatment fee standard and other matters (No. 137 [ 2017 ] of the State Quality Inspection Finance Letter )





## Fully Promote the Printing Reform of "Customs Special Payment Letter"



Announcement No. 10 of 2018 of the State Administration of Taxation and the General Administration of Customs. Since January 19, 2018, the printing reform of the "Customs Special Payment Letter" has been carried out in Shanghai Customs and Nanjing Customs.

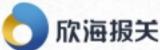
Fully promote the reform of enterprises printing tax receipts on their own



Announcement No. 100 of 2018 of the General Administration of Customs, the Ministry of Finance, the State Administration of Taxation and the State Archives Administration: From August 31, 2018, we will expand the pilot scope of printing reform of the "Customs Special Payment Letter"; Announcement of Tianjin Customs on the Comprehensive Promotion of Enterprise Printing Reform of "Customs Special Payment Letter"

Comprehens ive pilot

Announcement No. 169 of 2018 of the General Administration of Customs. Since November 19, 2018, it will comprehensively promote the reform of enterprises' self-printing of special letter of payment for customs.



### Fully Promote the Printing Reform of "Customs Special Payment Letter"



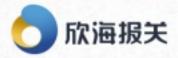
#### Print Note 2:

- When printing a special payment book, the name of the payment unit is printed as the head of the consumer unit by default.
- If you need to print a double header, you need to select the "consignee" or "consignor" at the time of payment, or the printed tax receipt will be a single header.

#### Print Note 1:

- At present, only domestic consignors and consignees can print, the agency customs broker or consumer unit cannot print it.
- At present, the types of tax forms such as margin to tax, demurrage, late fees, etc. do not support independent printing by enterprises.
- · Tax receipt printing is no longer limited to printing times

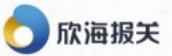






# **Notice of Tax Reduction**

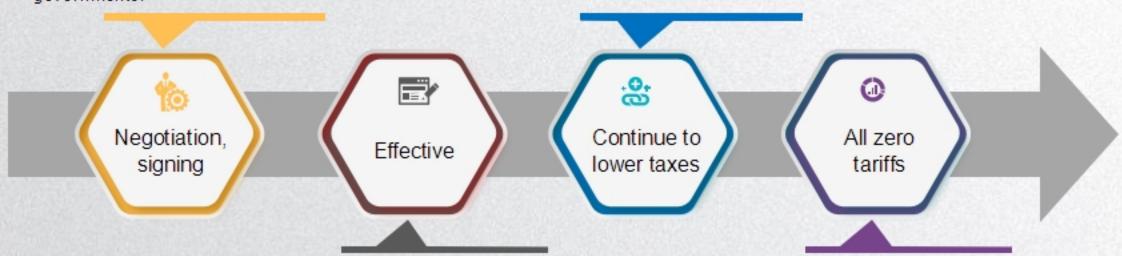
According to the Sino - Australian Free Trade Agreement, since 2015, China and Australia have made four tariff concessions. Goods imported from Australia have gradually reduced tariffs, and quite a number of goods will achieve zero tariffs within five years. From January 1, 2019, China - Australia FTA will usher in the fifth round of concessions.



### China - Australia Free Trade Agreement Lowers Tax Again

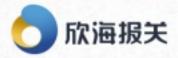
From April 2005 to November 2014, the leaders of the two countries announced the substantial conclusion of the negotiations. On June 17, 2015, Chinese Commerce Minister Gao Hucheng and Australian Trade and Investment Minister Andrew Robb formally signed the Free Trade Agreement between the Government of the People's Republic of China and the Australian Government in Canberra, Australia, on behalf of the two governments.

All Australian products have completely reduced taxes on China, with the liberalization level reaching 100%, of which 91.6% of tax items and duties will be reduced to zero when the agreement comes into force, 6.9% of tax items and duties will be reduced to zero in the third year of the agreement, and the last 1.5% of tax items and duties will be reduced to zero in the fifth year of the agreement.



The Free Trade Agreement between the Government of the People's Republic of China and the Government of Australia entered into force on December 20, 2015, with the first tax reduction and the second tax reduction on January 1, 2016.

From January 1, 2019, China and Australia will usher in the fifth round of tariff concessions. At this point, Australia's exports to China have all achieved zero tariffs in the import sector.

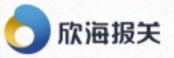




Some World Customs Organization Commodity Classification Opinions are Implemented as Classification Decisions

In order to implement the World Customs Organization Convention on the Harmonized Commodity Description and Coding System, according to the Regulations of the People's Republic of China on the Administration of Customs Import and Export Commodity Classification, some World Customs Organization commodity classification opinions were published as classification decisions, which will come into effect on December 1, 2018.

# Some World Customs Organization Commodity Classification Opinions are Implemented as Classification Decisions



#### Coconut Water (W2018-10)

Coconut water (coconut juice) is made from green coconut (99.95 %) and sugar (0.05 %). Sugar is added to blend the flavors of different batches of coconut. The product is in retail package and 290ml glass bottles.

2009.8919

VS

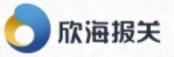
#### 21069040 Coconut Milk

It is made from coconut meat by squeezing, filtering, homogenizing and sterilizing. In order to prevent coconut milk from separating oil from water, a proper amount of stabilizer and emulsifier can be added. A small amount of other substances can also be added, but the added substances cannot change their basic characteristics. It is suitable for making cakes, candies, biscuits, ice cream, curry, etc. and for cooking dishes, snacks and making various desserts. The "coconut juice" referred to in this subhead cannot be drunk directly.

Item 2009 is generally made by squeezing cooked and good quality fresh fruits or vegetables, so it can be eaten directly. Usually obtained by mechanical extraction. According to the revised annotation in the 2017 edition of the "Annotation of Import and Export Tariff Commodities and Items" published by the General Administration of Customs in No. 36 of 2017, the fruit juice in Item 2009 also includes coconut water.

Item 2106 is the food listed in other items. It can be eaten directly and also includes food that cannot be eaten directly, such as coconut milk here.

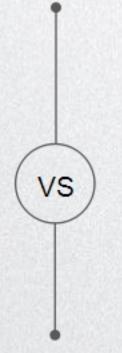
## Some World Customs Organization Commodity Classification Opinions are Implemented as Classification Decisions



#### Handheld machine (W2018-54)

Handheld machine, controlled by a small motor, is used for pre-washing clothes to remove stains. The mechanical device applies water and detergent to stains and removes them by flapping. Dimensions: diameter 46mm x height 166mm, weight 200g.

8509.8090

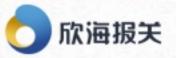


#### Handheld machine (W2018-49)

Handheld machine for removing dirt and stains from wetted clothes. The machine is equipped with a horn, which vibrates at supersonic speed to generate tiny bubbles. The force generated by bubble breaking can help remove dirt and stains.

8479.8999

•The working principle of the two is different. The former uses a motor to pat stains, which belongs to household electric appliances and conforms to the category of note 4 (2) in Chapter 85. The latter is to remove stains after bubbles generated by supersonic vibration of the horn break down, which belongs to mechanical vibration, and the structure of the commodity does not conform to 8450 and is classified into heading 8479 according to general rules I and VI of classification.

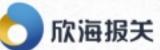




# Xinhai Participated in CIIE and Contribute to International Cooperation

The first China International Import Expo in 2018 was ceremoniously held in Shanghai.

This is the world's first national exhibition with import as its theme. It is a platform for promoting exchanges and cooperation and is conducive to opening up the international market. During the "Expo" period, we actively promoted and participated in the Expo, provided convenient customs clearance services for exhibitors, built bridges for exhibitors, and ensured exhibitors to enter the venues and participate in the Expo on time.



### Xinhai Participated in CIIE and Contribute to International Cooperation

#### Xinhai participates in CIIE, and signed contracts with famous international brands

On November 8, at the first China International Import Expo, the Oujian Network, a member enterprise of the Yangpu Trading Group and a cross-border supply chain service provider, which group Xinhai belongs to, reached cooperation with international famous brands such as Brazil JBS Group and CP Group International Supply Chain, and signed a purchase agreement of 800 million yuan, covering international trade, international freight forwarding, logistics customs clearance and other service items.



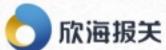
Oujian Network and Germany Stakunft GmbH signed the cooperation agreement



Oujian Network and Greechain signed the cooperation agreement



Oujian Network and Brazil JBS Group and CP Group International Supply Chain signed the cooperation agreement



### Xinhai Participated in CIIE and Contribute to International Cooperation



(Right 4 Oujian Group president He Bin Right 2 Xinhai Customs Brokerage deputy general manager Zhu Li)

# Xinhai Helps International Cooperation to Solve Customers' Urgent Problems

Xinhai Customs Brokerage Co., Ltd knows "In Bangladesh, many local enterprises are eager to participate in Chinese exhibition and explore the market, but they are unable to do enough and lack the economic strength to participate in China and the ability to understand the Chinese market." After that, the company moved quickly and helped Bangladesh exhibitors in a timely manner to completed the classification of 200 kinds of goods within 5 business days, while it usually takes one week to issue one or two products classification results in the industry. Oujian Network help enterprises declare quickly and ensure the smooth arrival of goods to Shanghai to participate in CIIE.





Oujian network signed a cooperation agreement with Bangladesh

Right 4 Oujian Group chairman Ge Jizhong

Left 4 Oujian Group president He Bin

Right 1 Oujian Group Vice president Wang Min

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# Thank You

