

# Customs Clearance

# News

September

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# 2019

## Customs Consulting of Xinhai Newsletter in September

\ New Policy for Label Supervision in Prepackaged Foods \ The Latest Progress  
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# Changes in Supervision Mode of Label Inspection for Imported Prepackaged Foods

## What is prepackaged foods

- Pre-packaged food refers to food that is pre-quantitatively packaged or produced in packaging materials and containers, including pre-quantitatively packaged food and food that is pre-quantitatively produced in packaging materials and containers and has uniform quality or volume identification within a certain limited range.

## Relevant laws and regulations

- Food Safety Law of the People's Republic of China
- Announcement No.70 of 2019 of the General Administration of Customs on Matters Related to Supervision and Administration of Label Inspection of Import and Export prepackaged foods

## When will the new regulatory management model be implemented

- At the end of April 2019, China's customs issued announcement No.70 of the General Administration of Customs in 2019, specifying the formal implementation date as October 1st, 2019, giving China's import and export enterprises a period of transition.

## What are the labeling elements of prepackaged foods

- The labels of prepackaged foods imported normally must indicate the food name, ingredients list, specifications and net content, production date and shelf life, storage conditions, country of origin, name, address, contact information of domestic agents, etc., and indicate the nutritional ingredients according to the situation.

## What circumstances are prepackaged foods not allowed to import

- Prepackaged foods does not have a Chinese label, a Chinese instruction book or labels, instructions do not meet the requirements of the label elements, shall not be imported
- The format layout inspection results of imported prepackaged foods do not meet the requirements of China's laws, administrative regulations, rules and food safety standards
- The conformity test result does not conform to the contents marked on the label.

## The new model cancels the prepackaged foods label filing before import

- Starting from October 1st, 2019, the customs will no longer record the labels of prepackaged foods imported for the first time. Importers shall be responsible for checking whether the labels meet the requirements of relevant laws and administrative regulations of our country.

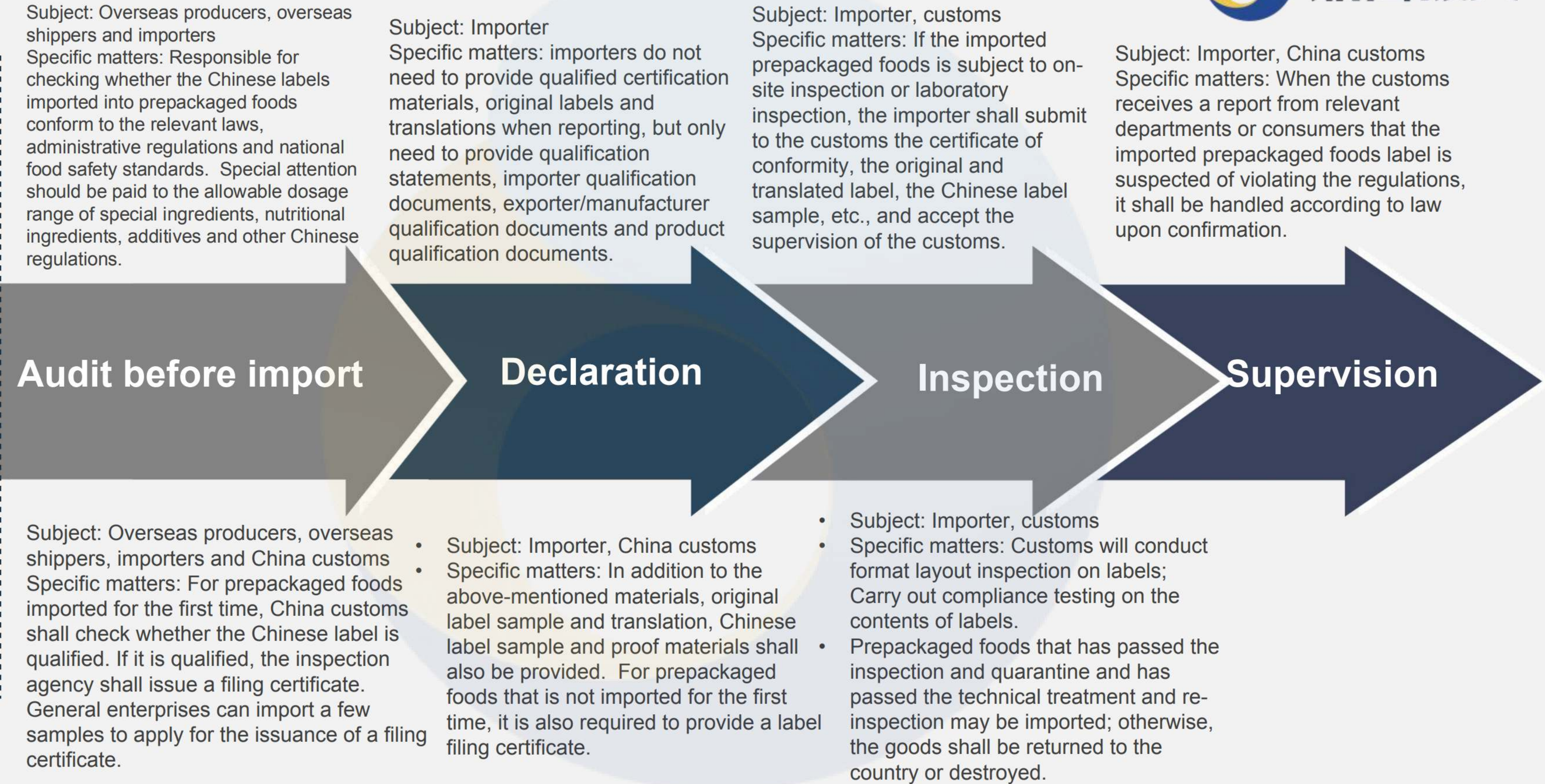


# Changes in Supervision Mode of Label Inspection for Imported Prepackaged Foods



New Mode

Old Mode



# Changes in Supervision Mode of Label Inspection for Imported Prepackaged Foods

Which commodities can be exempted from customs label inspection?

Imports and exports of non-tradable food such as samples, gifts, gifts and exhibits, imports of food for duty-free operation (except tax exemption on outlying islands), food for personal use by embassies and consulates, and food for personal use such as exports of food for personal use by embassies and consulates and overseas personnel of Chinese enterprises may apply for exemption from import and export of prepackaged foods labels.

Do you need to provide Chinese labels when importing from prepackaged foods by mail, express mail or cross-border electronic commerce?

At present, China customs requires that trade goods must have a Chinese label that meets the requirements before being imported into China for sale. For self-use goods imported into China by mail, express mail or cross-border electronic commerce, this list is not yet included.

How do enterprises/consumers identify the authenticity of prepackaged foods?

Prepackaged foods imported from formal channels should have Chinese labels that conform to relevant laws and regulations and national standards. Enterprises/consumers can ask domestic business entities for "Inspection and Quarantine Certificate of Imported Goods" to identify the authenticity of imported goods.

# The Latest Progress of Sino-US Trade War



## Sino-US Trade War Escalates Again

On August 15, 2019, the U.S. government announced that it would impose a 10% tariff on about 300 billion U.S. dollars of goods imported from China, which will be implemented in two batches starting from September 1st and December 15, 2019.



## Announcement of the Tariff Commission of the State Council on Imposing Tariffs on Some Imported Commodities Originating in the United States (Third Batch)

Partial tariff increase:  
Starting from September 1, 5% or 10% will be levied respectively according to different commodities (Listing 1) Starting from December 15, 5% or 10% will be levied respectively according to different commodities (Listing 2)



## U.S. Attacks China's New 75 Billion Commodities

From October 1st, the levy on 250 billion imported goods from China will be adjusted from 25% to 30%

For 300 billion imported goods from China, the levy will be adjusted from 10% to 15% from September 1st.



## China and the United States Take a Step Back

The US delayed the implementation of a 30% tariff on 250 billion goods exported from China to the US until October 15.

China has lifted the ban on the purchase of U.S. soybean, pork and other agricultural products, and has imposed additional tariffs to eliminate them.

# China Released the First Exclusion List of Tariffs on U.S.

## 01 From September 17, 2019, there will be no more tariffs imposed by China's anti-US 301 measures within one year.

Shrimp seedlings, alfalfa, fish meal, lubricating oil, grease, medical linear accelerator, whey for feed, etc. are involved in 16 major commodities, corresponding to hundreds of specific commodities.

## 03 Pay Attention to Tax Refund Time

Those who meet the requirements shall apply to the customs for tax refund within 6 months from the date of publication.

## 04 The goods in the exclusion list are applicable to national enterprises

China's exclusion mechanism is aimed at a class of commodities. It can be said that one enterprise applies and other enterprises of the same type benefit. The timely release of the exclusion list by China will help ease the market fluctuation caused by Sino-US economic and trade frictions and give enterprises more confidence to move forward.



## 02 Why the goods in list 1 is tax refundable but in list 2 is not?

List 1 includes 12 commodities such as other shrimps and prawn seedlings, alfalfa meal and pellets, lubricating oil, etc., involving 8 full tax items and 4 commodities with additional customs codes, which are eligible for tax refund. The four commodities listed in List 2 are part of the tax items, but these commodities cannot be refunded because they do not have additional customs codes.

## 05 Follow-up List "Mature Batch, Exclude Batch"

The commodities in the first batch of exclusion lists are mainly agricultural means of production, key raw materials, medical equipment, etc. At present, they are basically unable to be replaced from markets outside the United States and meet the relevant standards examined by the Tariff Commission of the State Council. The policy orientation of "protecting people's livelihood" in the first batch of exclusion lists is obvious.

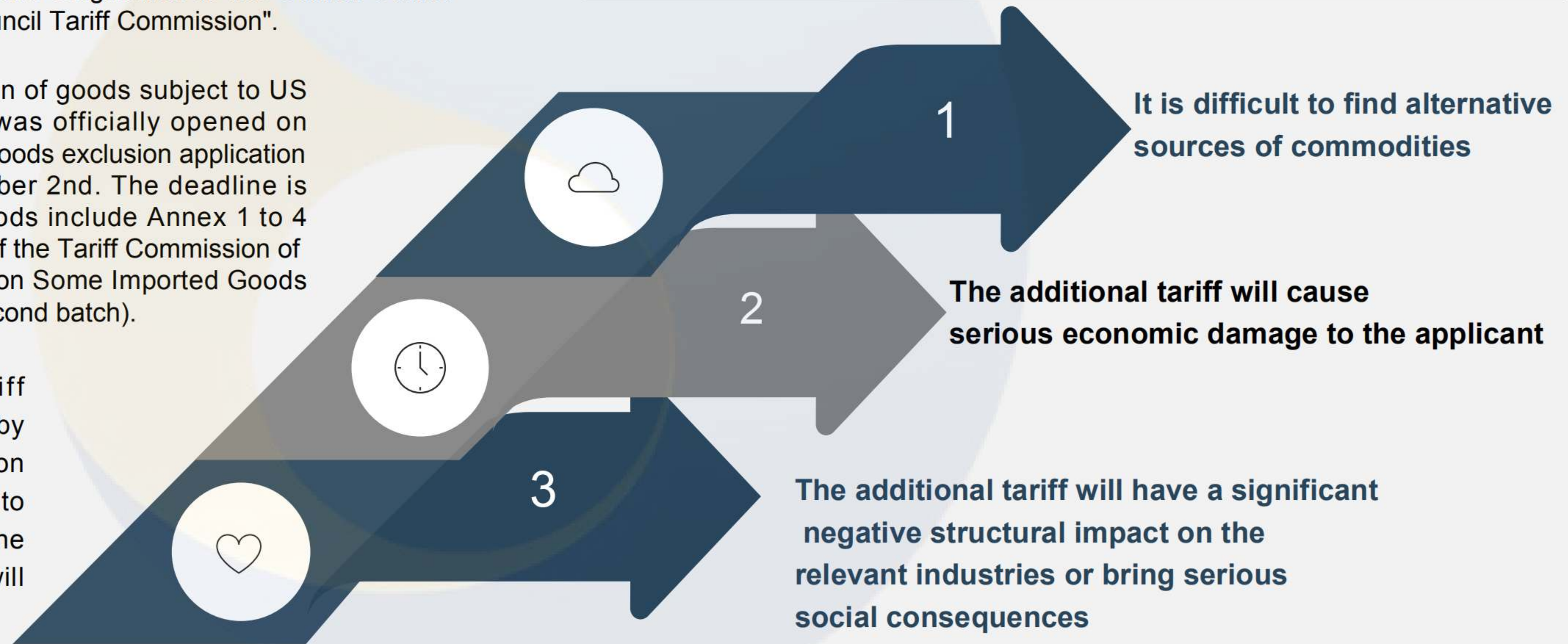
# China Effectively Responded to Economic and Trade Frictions and Effectively Eased the Burden on Enterprises

The first batch of commodities eligible for exclusion in China will be accepted from June 3 to July 5, 2019, corresponding to the commodities listed in "List I of Commodities Subject to Tariff Imposition on US \$50 billion of Imports Originated in the United States" attached to the "Notice of the State Council Tariff Commission on Tariff Imposition on Imports Originated in the United States" and the commodities listed in "List II of Commodities Subject to Tariff Imposition on US \$16 billion of Imports Originated in the United States" attached to the "Notice of the State Council Tariff Commission".

The system for declaring the exclusion of goods subject to US customs duties (the second batch) was officially opened on August 28th, and the second batch of goods exclusion application was formally accepted from September 2nd. The deadline is October 18th. The corresponding goods include Annex 1 to 4 goods attached to the Announcement of the Tariff Commission of the State Council on Imposing Tariffs on Some Imported Goods Originating in the United States (the second batch).

As for the third round of anti-tariff measures against the US announced by China not long ago, the tax commission will continue to exclude goods subject to additional tariffs imposed by the US. The methods for accepting applications will be announced separately.

There are three main criteria for the Customs Tariff Commission of the State Council to examine and approve exclusion applications.





| Category                                  | Announcement No.   | Comments  |
|---|--|---|
| Animal and plant products access category | Announcement No.141 of 2019 of the General Administration of Customs | Announcement on Inspection and Quarantine Requirements for Imported Russian Beet Meal, Soybean Meal, Rapeseed Meal and Sunflower Meal. The scope of commodities allowed to be imported includes: Sugar beet pulp, Soybean meal, Rapeseed meal, sunflower seed meal, sunflower seed meal (hereinafter referred to as "meal") The above products must be byproducts produced after sugar or oil is separated from beetroot, soybean, rapeseed and sunflower seed planted in the Russian Federation through processes such as squeezing, leaching and drying. Importing the above products must meet the inspection and quarantine requirements for imported Russian beet pulp, soybean meal, rapeseed meal and sunflower seed meal. |
|   | Announcement No.140 of 2019 of the General Administration of Customs | Announcement on quarantine requirements for imported vietnamese mangosteen plants. From August 27, 2019, Mangosteen, a scientific name Garcinia mangostana L, an English name mangostin, is allowed to be exported to China from Vietnam's mangosteen producing area. And imported products must conform to the relevant provisions of the quarantine requirements for imported Vietnamese mangosteen plants.   |

| Category                                  | Announcement No.   | Comments   |
|---|--|--|
| Animal and plant products access category | Announcement No.138 of 2019 of the General Administration of Customs and the Ministry of Agriculture and Rural Areas | Announcement on Preventing African Swine Fever in Myanmar from Entering China. From August 6, 2019, direct or indirect import of pigs, wild boars and their products from Myanmar will be prohibited.  |
|   | Announcement No.137 of 2019 of the General Administration of Customs and the Ministry of Agriculture and Rural Areas | Announcement on preventing the introduction of Serbian African swine fever into china. From August 23, 2019, direct or indirect import of pigs, wild boars and their products from Serbia will be prohibited.  |
| Administrative approval                   | Announcement No.143 of 2019 of the General Administration of Customs   | Announcement on publishing the list of foreign suppliers of imported cotton that have been granted registration and renewal of registration certificates. This announcement added 12 overseas cotton suppliers and 18 overseas cotton suppliers were allowed to continue.  |
|   | General Administration of Market Supervision No.29 of 2019   | <Announcement on Issuing the Guidelines for Labeling Warning Terms for Health Food>; The standard labels are standardized from four aspects: warning language, production date and shelf life, complaint service telephone number and consumption prompt. The announcement will come into effect on January 1, 2020. |

# Xinhai Won the Honorary Title of "Outstanding Customs Declaring Unit in Shanghai Customs Area in 2018"



Shanghai Customs Declaration Association held "five sessions and four meetings" to encourage customs broker enterprises to standardize their business practices, safeguard their legitimate rights and interests, earnestly perform the functions of "industry service, industry self-discipline, industry representatives, and industry coordination" of the Customs Declaration Association, promote the customs declaration industry spirit of "honesty and law-abiding, advocating professionalism, self-discipline and standardization, and pragmatic innovation", play an advanced exemplary role, and establish industry brands.

Shanghai Customs Declaration Association chairman Ge Jizhong's brilliant speech

Shanghai Customs Declaration Association commended 81 outstanding customs declaration units in the 2018 Shanghai Customs Area. A number of subsidiaries of Oujian Group won this honor, including Shanghai Xinhai Customs Brokerage Co., Ltd. Zhou Xin (fifth from right), general manager of Xinhai, took the stage to accept the award.



## Training Background

To further help enterprises understand the content of 2019 tariff adjustment, make compliance declaration, and improve the quality and efficiency of customs declaration processing, a training salon on case analysis of customs standard declaration elements had been held on the afternoon of September 20. Experts were invited to share the latest customs clearance procedures and requirements with enterprises from a practical point of view, exchange customs declaration compliance operation skills, and use a large number of examples and enterprises to discuss how to use classified customs declaration to reduce costs.

## Training Content

The purpose and influence of standardized declaration elements, the standards and introduction of standardized declaration elements, the key declaration elements and classification errors of commonly used commodity tax numbers, the words used for declaration elements and the classification.

## Training Objects

The compliance managers in charge of import and export, customs affairs, taxation and international trade are all suggested to attend this salon. Including but not limited to: logistics manager, procurement manager, trade compliance manager, customs manager, supply chain manager and the heads and commissioners of the above departments. Acting as customs declarers and relevant personnel of customs broker enterprises.



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# Thanks