

Customs Clearance News

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Customs Consulting of Xinhai Newsletter in August

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Detailed Rules for the Implementation of the Administrative Measures on Import Tax of Major Technical Equipment

In order to support the development of China's major technical equipment manufacturing industry, the Ministry of Industry and Information Technology, the General Administration of Customs and the Energy Bureau of the General Administration of Taxation issued the Notice on Printing and Distributing the Administrative Measures of Tax Policies on Import of Major Technical Equipment (Financial Tax [2020] No.2), and the Ministry of Industry and Information Technology, the Ministry of Finance, the General Administration of Customs, the General Administration of Taxation and the Energy Bureau formulated the Implementation Rules of Tax Policies on Import of Major Technical Equipment, which will be implemented on August 1.

Major technical equipment and products added and retained in the Catalogue of Major Technical Equipment and Products Supported by the State shall conform to the direction of industry development and the fields specified in the catalogue. The key components and raw materials added and retained in the Catalogue of Imported Key Components and Raw Materials for Major Technical Equipment and Products shall be the key components and raw materials that are really necessary to be imported for the production of major technical equipment and products supported by the state. The major technical equipment and products added in the Catalogue of Major Technical Equipment and Products Not Exempted from Import shall be the major technical equipment and products that have been produced in China.

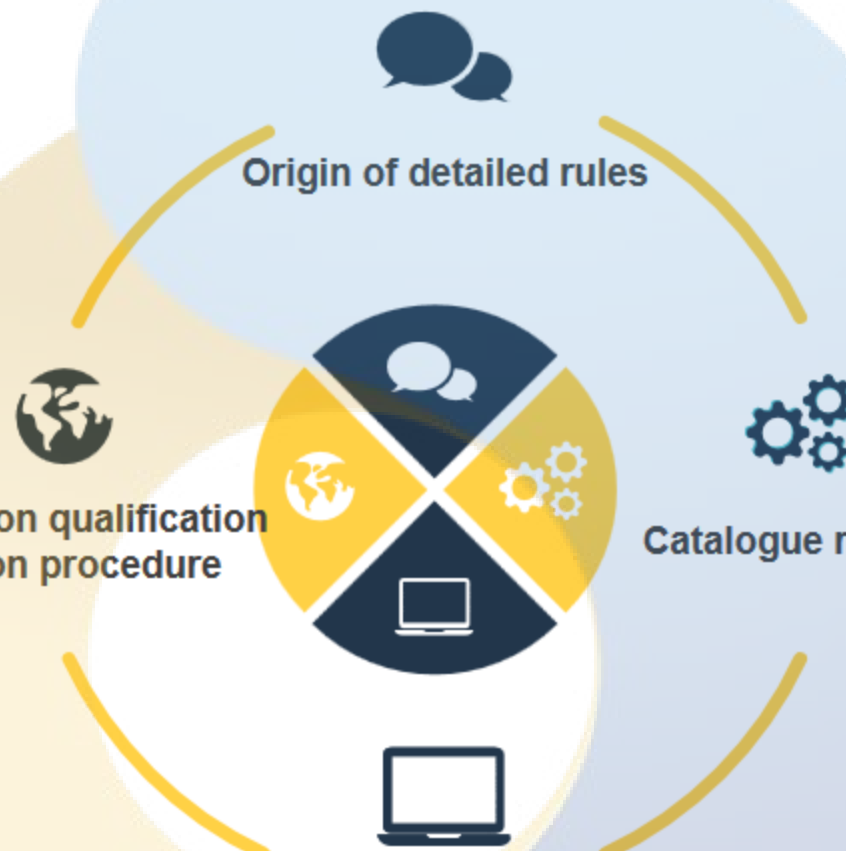
Tax exemption qualification recognition procedure

The newly applied enterprise can send an application for tax exemption qualification to the provincial industrial and information technology department and the central enterprise group in August each year; After being identified, inspected and reviewed by the government departments, the provincial industrial and information technology departments and the central enterprise groups shall inform the relevant enterprises of the new enterprises enjoying the policy and the list of nuclear power project owners. Enterprises on the list will enjoy the policy from January 1st next year.

Catalogue revision

The Ministry of Industry and Information Technology, together with relevant departments, shall supervise, inspect and evaluate the implementation of policies by enterprises and owners of nuclear power projects in a timely manner. Enterprises enjoying the policy and owners of nuclear power projects may be held criminally liable for unauthorized transfer, diversion or other disposal of parts and raw materials imported duty-free; Enterprises enjoying the policy and owners of nuclear power projects, if they are included in the list of joint disciplinary actions for dishonesty, will be studied by the Ministry of Industry and Information Technology in conjunction with relevant departments whether enterprises can continue to enjoy the tax exemption policy.

Stop enjoying tax exemption qualification



Detailed Rules for the Implementation of the Administrative Measures on Import Tax of Major Technical Equipment

1 Execute Directory

At present, the catalogue revised in 2019 shall prevail (notice on adjusting the relevant catalogue of import tax policies for major technical equipment), namely, the catalogue of major technical equipment and products supported by the state (revised in 2019), and the import of major technical equipment and products. Parts and raw materials catalogue (revised in 2019) and the catalogue of major technical equipment and products that are not duty-free for import (revised in 2019)

2 Explanation of Exemption from Import Taxes and Fees

Since January 1, 2020, domestic enterprises that meet the prescribed conditions need to import the goods listed in the Catalogue of Key Components and Raw Materials for Import of Major Technical Equipment and Products (Revised in 2019) in order to produce the equipment or products listed in the Catalogue of Major Technical Equipment and Products Supported by the State, and are exempt from customs duties and import value-added tax. If the implementation period is listed in the above catalogue, the tax-free implementation period of relevant equipment, products, spare parts and raw materials shall end on December 31st of that year.

3 Not Exempted Circumstances

For the following projects and enterprises approved after January 1, 2020 (including January 1) and enjoying preferential import tax policies in accordance with or in accordance with the relevant provisions of GF [1997] No.37, the import of self-use equipment listed in the Catalogue of Imported Major Technical Equipment and Products Not Exempted from Duty (Revised in 2019) and the technology, supporting parts and spare parts imported with the above equipment according to the contract shall be subject to import tax according to regulations: domestic investment projects encouraged by the state and foreign investment Foreign government loans and loans from international financial organizations; Processing trade enterprises that provide imported equipment at no price by foreign investors; Foreign-invested advantageous industrial projects in the central and western regions; Foreign-invested enterprises and research centers set up by foreign investors, as stipulated in the Notice of the General Administration of Customs on Further Encouraging Foreign Investment on Import Tax Policies, use their own funds to carry out technological transformation projects.



Integrated Circuit

Integrated circuit design; R&D and manufacturing of advanced semiconductor processes, equipment and devices; Development of foundation, platform and application software; R&D and manufacturing of key semiconductor materials; High-tech services such as research and development, testing and certification of common technologies



Biological Medicine

Frontier life science and technology and product research and development; R&D and manufacturing of biological products; High-end Chinese and Western medicine research and development and manufacturing; R&D and manufacturing of high-end medical equipment; R&D and manufacturing of high-end medical devices; Clinical trials and other professional and technical services



AI

AI chip R&D and manufacturing; Intelligent hardware research and development and manufacturing; R&D and manufacturing of intelligent sensors; Develop platform, tool software and intelligent information technology services; R&D and manufacturing of intelligent robots; R&D and manufacturing of intelligent networked vehicles and intelligent new energy vehicles; Intelligent equipment and materials research and development and manufacturing; Common technology development and technical basic services



Core Links in Key Areas of Civil Aviation

R&D and manufacturing of civil aircraft and key systems; R&D and manufacturing of aero-engine and key core components; R&D and manufacturing of aviation key materials; Aviation industry chain supporting services such as flight test and airworthiness

For qualified legal person enterprises engaged in products (technologies) related to core links in key areas such as integrated circuits, artificial intelligence, biomedicine, civil aviation, and carrying out substantive production or R&D activities in the new area, the enterprise income tax shall be levied at a reduced rate of 15% within 5 years from the date of establishment.

Applicable time



This notice shall come into force since January 1, 2020. Eligible legal person enterprises registered in the new district before December 31, 2019 and engaged in substantive production or R&D activities of the businesses listed in the Catalogue can be implemented in accordance with this Notice from 2020 to the five-year period when the enterprise is established.

Necessary conditions of "qualified enterprises"



Enterprises have fixed production and business premises, fixed staff, software and hardware support conditions matching with production or R&D activities, and carry out the above-mentioned R&D and manufacturing business on this basis. At least one key product (technology) is included in the main products developed or sold by the enterprise.

Necessary conditions of "qualified enterprises"(2)



The main conditions of enterprise investment: the technical strength is in the forefront of the industry or the technical strength is leading in the industry;
R&D and production conditions of enterprises: key core technologies that have been engaged in scientific research and production for a long time in related fields at home and abroad or have independent intellectual property rights system; The enterprise has mature research and development results put into use; Or obtain investment from financing institutions.

The United States Updates the List of Excluded Goods in China's Export 200 Billion List

On August 6, the Office of the US Trade Representative announced the list of products with a tariff increase of 200 billion US dollars to extend the expiration date:

The original exclusion is valid until August 7, 2020 (EST). It is hereby notified that the product exclusion period will be extended from August 7, 2020 to December 31, 2020.

There are 997 items in the original list of 200 billion tariff excluded products, and 266 items have been extended this time, accounting for about a quarter of the original list. The products with extended expiration date can be inquired through the official website.

Exclude
specific
commodities



Original
announcement



https://ustr.gov/sites/default/files/enforcement/301Investigations/Notice_of_Extensions_for_Exclusions_Expiring_August_7_2020.pdf

The United States Announced 300 Billion Additional Exclusion List Goods

On August 5, the Office of the US Trade Representative (USTR) announced a new batch of announcements on products excluded from the list A of China's \$300 billion tariff-added goods:

Add 10 excluded products, and the exclusion is valid until September 1, 2020; If there are enterprises exporting American products in this list, they can resume normal export business to United States. The validity period of this batch of exclusions can be traced back to September 1, 2019, the day when 300 billion tariffs (List A) were imposed, and the previously imposed tariffs can be applied for refund.

There are 10 products in this batch of 300 billion tariff exclusion list (including one completely excluded product and nine excluded products under the 10-digit tariff code). See the next page for details



https://ustr.gov/sites/default/files/enforcement/301Investigations/%24300_Billion_Exclusions_Granted_August_2020.pdf

The United States Announced 300 Billion Additional Exclusion List Goods

Commodity Code (U.S.)	Tax Item Provisions	Chinese Commodity Code
8443.32.1050	Thermal transfer	Part of 8443.32
3926.90.9985	Doorway dust barrier kits, each comprising a sheet of plastics measuring not more than 0.15 mm in thickness, at least 1.2 m but not more than 1.6 m in width and at least 2.1 m but not more than 2.6 m in length, with two parallel slide fasteners extending the full length of the sheet, two metal flap hooks and a roll of tape with adhesive on both sides for securing the sheet to a doorway, such kits put up for 7 retail sale	Part of 3926.9090
3926.90.9985	Heads, plates, grip disks, slide clamps, foot plugs and other parts of plastics, of a kind used in temporary dust barrier systems for interior construction	Part of 3926.9090
3926.90.9985	Locking zip tie fasteners of plastics	Part of 3926.9090
7013.99.90	Decorative glassware, each consisting of a rectangular glass box in a brass frame with a hinged top, measuring at least 11.5 cm but not more than 21.5 cm by at least 16 cm but not more than 26.5 cm by at least 3 cm but not more than 8 cm, weighing at least 500 g but not more than 1.5 kg, valued over \$5 each	Part of 7013.9900
7013.99.9090	Decorative glassware, each piece consisting of a blown-glass globe, measuring at least 65 mm but not more than 150 mm in diameter, containing a sculpture, water and artificial snow, with a poured-resin base, weighing at least 800 g but not more than 3 kg, valued over \$5	Part of 7013.9900
8471.60.8000	Digital optical image scanners with maximum scanning width measuring at least 60 cm but not more than 92 cm	Part of 8471.8000
9506.99.6080	Slingshot apparatus, whether or not electrically powered, of a kind used for outdoor games	Part of 9506.9900
9506.99.6080	Swing sets and parts and accessories thereof	Part of 9506.9900
9506.99.6080	Trap shooting launchers and parts and accessories thereof	Part of 9506.9900

Category	Announcement No.	Comments
Animal and Plant Products Access	Announcement No.93 of 2020 of the General Administration of Customs	Announcement on inspection and quarantine requirements for imported Ecuador frozen South American white shrimp. From August 14th, 2020, Ecuador's frozen South American white shrimp will be allowed to be exported to China. The allowed frozen white shrimp in this time refers to the frozen white shrimp in South America (scientific name: Penaeus vannamei) cultivated artificially for human consumption and its products, excluding the live white shrimp in South America.
	Announcement No.90 of 2020 of the General Administration of Customs	Announcement on inspection and quarantine requirements for imported Serbian dairy products. From August 12, 2020, dairy products produced in Serbia that meet the Inspection and Quarantine Requirements for Imported Serbian Dairy Products will be allowed to be exported to China. Dairy products allowed to be exported to China this time refer to milk and milk-made foods processed with heated milk or goat milk as main raw materials, including pasteurized milk, sterilized milk, modified milk, fermented milk, cheese and processed cheese, thin cream, cream, anhydrous cream, condensed milk, milk powder, whey powder, whey protein powder, bovine colostrum powder, casein, milk mineral salt, milk-based infant formula food and its premix (or base powder)
	Announcement No.89 of 2020 of the General Administration of Customs	Announcement on revising the inspection and quarantine requirements for two-way trade of dairy products between China and Russia. This revision mainly adds four aspects. 1. Increase the inspection and quarantine basis; 2. Expand the scope of trade; 3. Add "animal quarantine requirements"; 4. Add "food safety requirements".
License Approval	Announcement No.322nd of the Ministry of Agriculture and Rural Affairs of the People's Republic of China	The Ministry of Agriculture and Rural Affairs, in accordance with the Regulations on the Administration of Veterinary Drugs and the Measures for the Registration of Veterinary Drugs, has approved the re-registration and change of registration of eight veterinary drug products, such as neutral electrolytic oxidized water, produced by six companies, including Euro-Kurrus Innovation Science Company.

Category	Announcement No.	Comments
Animal and Plant Products Access	Announcement No.87 of 2020 of the General Administration of Customs	Announcement on inspection and quarantine requirements for imported Croatian dairy products. Dairy products produced in Croatia will be allowed to be exported to China from July 23, 2020. Dairy products allowed to be exported to China this time refer to foods processed with heated milk or goat milk as main raw materials, including pasteurized milk, sterilized milk, modified milk, fermented milk, cheese and processed cheese, thin cream, cream, anhydrous cream, condensed milk, milk powder, whey protein powder, bovine colostrum powder, casein, milk mineral salt, milk-based infant formula food and its premix (or base powder). The production enterprises must be registered in China, the products must meet the national standards for food safety in China, and the product labels must meet the relevant requirements of China.
License Approval	Announcement No.37 of 2020 of the State Administration of Market Supervision	Announcement of the General Administration of Market Supervision on Publicizing the List of Market Supervision Departments Awarded with the Right to Register Enterprises with Foreign Investment in China) According to the Regulations for the Implementation of the Foreign Investment Law of the People's Republic of China (Order No.723 of the State Council), the registration of enterprises with foreign investment shall be handled by the market supervision department of the State Council or its authorized local people's government according to law. Authorized market supervision departments can directly accept the registration management of foreign-invested enterprises and branches of foreign-invested enterprises within their jurisdiction.
	No. 36 [2020] of General Office of the Ministry of Agriculture and Rural Affairs	Notice on handling the certificate of free sale of feed and feed additive products. When an enterprise engaged in the production of feed and feed additive products exports feed products, if the foreign country needs the enterprise to provide the free sales certificate at the national level, the production enterprise may apply to the provincial-level feed department where the production is located, and apply to the Ministry of Agriculture and Rural Affairs after being confirmed on the spot. The Ministry of Agriculture and Rural Affairs shall complete the issuance of the certificate within 10 working days after receiving the audit confirmation documents from the provincial feed authorities.



Notice on Updating and Switching the Management System of Declaration Agent Power of Attorney/Entrustment Agreement

In order to enhance the user experience and improve the system service capability, the management system of Agency Declaration Power of Attorney/Entrustment Agreement in China's electronic port law enforcement system is scheduled to stop service on August 25, 2020, and relevant functions will be updated to the new law enforcement system of China's electronic port.

Log in method:

You can log in to the new law enforcement system of electronic port (<http://e.chinaport.gov.cn>)

Or log in to the "Customs Declaration Commission" on the homepage of China Customs Association official website (<http://www.chinacba.org/>) for business operations

Log in to "customs declaration agency entrustment" under the single window (<http://www.singlewindow.cn>) goods declaration module for business operation

- ◆ When you encounter problems involving customs business in the process of import and export, you need to consult;
- ◆ When you have questions about customs policies and regulations that need to be answered;
- ◆ When you encounter problems in import and export due to resumption of work and production, you need the customs to give priority to coordination;
- ◆ When you want to make suggestions on the reform and development of customs ...

"China Customs Credit Management" WeChat platform

It can provide more high-quality services for the majority of import and export enterprises



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- 权威 的海关企业信用管理培训
- 及时 的海关业务提醒和警示
- 贴心 的问卷调查与服务
- 实用 的企业信用管理办事指南

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