

# Customs Clearance News

January

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## 2022

### Customs Consulting of Xinhai Newsletter in January

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Xinhai Customs Service Team



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# New progress in mutual recognition of AEO



## China-Chile

- In March 2021, the Customs of China and Chile formally signed the Arrangement between the General Administration of Customs of the People's Republic of China and the Customs Administration of the Republic of Chile on Mutual Recognition between the Credit Management System of Chinese Customs Enterprises and the "Certified Operators" System of Chilean Customs, and the Mutual Recognition Arrangement was officially implemented on October 8, 2021.
- Announcement No.74 of General Administration of Customs, 2021



## China-Brazil

- China and Brazil are both members of BRICS. From January to November 2021, the total import and export value of China and Brazil was 152.212 billion US dollars, up 38.7% year-on-year. Among them, the export to Brazil was 48.179 billion US dollars, a year-on-year increase of 55.6%; Imports from Brazil reached 104.033 billion US dollars, up 32.1% year-on-year. It can be seen from the data of China-Pakistan trade that the import and export trade between China and Pakistan will continue to grow against the trend during the epidemic in 2021.
- China-Brazil Customs AEO mutual recognition arrangement will be implemented in the near future.



## China-South Africa

- From January to October, 2021, the total import and export value of China and Africa reached 207.067 billion US dollars, a year-on-year increase of 37.5%. South Africa, as the most economically developed country in Africa, is also an important country participating in the the belt and road initiative. From January to October, 2021, the total import and export value of China and South Africa reached 44.929 billion US dollars, a year-on-year increase of 56.6%, accounting for 21.7% of the total trade value between China and Africa. China is my largest trading partner in Africa.
- China Customs and South Africa Customs recently signed a mutual recognition arrangement of "certified operators".



# New progress in mutual recognition of AEO

## Announcement No.6 of General Administration of Customs in 2022

- It will be implemented on January 26th, 2022.
- China-Uruguay Customs "Certified Operator" (AEO) reach mutual recognition

## Convenience measures

- Low rate of document audit is applicable.
- Reduce the inspection rate of import and export goods
- Give priority inspection to goods that need physical inspection.
- Designate a customs contact to communicate and solve the problems encountered by AEO enterprises in customs clearance.
- Due to the increase of security alert level, border closure, natural disasters, dangerous emergencies or other major accidents, international trade will be interrupted, and priority will be given to customs clearance after trade recovery.

## How to enjoy convenience measures

- Chinese customs high-level certified enterprises with import and export trade with Uruguay need to inform Uruguayan importers or exporters of AEO codes (AEOCN + 10 enterprise codes registered and filed with Chinese customs, such as AEOCN0123456789), which will be declared according to Uruguayan customs regulations, and Uruguayan customs will confirm the identity of Chinese customs AEO enterprises and provide relevant convenience measures.



# New progress in mutual recognition of AEO

## "Certified Operator"

WCO defines that it includes producers, importers, exporters, customs brokers, carriers, tallymen, middlemen, ports and airports, cargo terminal operators, comprehensive operators, warehouse operators and distributors.

## Specific customs clearance facilitation measures

The specific content of the specific customs clearance facilitation measures shall be negotiated by the customs of both parties, and shall be specified in the signed mutual recognition agreement/arrangement. The General Administration of Customs will issue an announcement on relevant matters.



## Advantages of AEO certification in international trade

- Efficient and unified supply chain standards and procedures
- Reduce the inspection rate
- Reduce audit documents and other requirements.
- Provide valuable information for AEO participants
- Relevant special measures during the period of trade interruption or raising the level of trade security threat

## AEO national layout of mutual recognition

Including 19 countries along the the belt and road initiative, 5 RCEP member countries and 13 Central and Eastern European countries. China's AEO enterprises account for about 60% of their total imports and exports to countries or regions with AEO mutual recognition.



## Announcement No.107 of General Administration of Customs, 2021

- It will be implemented on January 1st, 2022.
- Since China and Cambodia formally established diplomatic relations in 1958, bilateral trade between China and Cambodia has developed steadily and exchanges and cooperation have deepened day by day.

## Trade between China and Cambodia

- China imported 12.32 billion yuan from Cambodia, a year-on-year increase of 34.1%. The main commodities are mink, bananas, rice, handbags, clothing and footwear, etc. Exports to Cambodia were 66.85 billion yuan, up 34.9% year-on-year. The main commodities were knitted fabrics and crochets, vaccines and sun.
- Energy battery, aluminum alloy plate, steel structure and its parts, etc.

## China reduced to zero tariff rate

China's products that eventually achieved zero tariff reached 97.53% of all tax items, of which 97.4% products will achieve zero tariff immediately after the agreement comes into effect. China has included clothing, footwear, leather and rubber products, mechanical and electrical parts and agricultural products in the tariff reduction.

## Cambodia reduced to zero tariff rate

Cambodia's products that eventually achieve zero tariff reach 90% of all tax items, of which 87.5% products will achieve zero tariff immediately after the agreement comes into effect. Cambodia will include textile materials and products, mechanical and electrical products, miscellaneous products, metal products, transportation and other products in tariff concessions.





## China-Indonesia origin electronic information exchange system networking transition period ends

On January 1st, 2022, the transition period of China-Indonesia origin electronic information exchange system will end. At that time, the customs will no longer accept enterprises to enter electronic information of certificate of origin through the "Declaration System of Origin Elements of Preferential Trade Agreement".



### Select "paperless customs clearance" to declare.

Importers do not need to fill in the electronic data of the certificate of origin and the commitments of direct transportation rules, nor do they need to upload the certificate of origin electronically.



### Select "paper declaration" to declare.

The importer shall submit the paper documents of origin documents when declaring the import.



### Margin mode

Since January 1, 2022, if the system prompts that there is no electronic information of certificate of origin or flow certificate, the importer should apply for the corresponding tax guarantee procedures according to the current regulations, otherwise it will not be able to enjoy the benefits.



# Interpretation and comparison of management measures of comprehensive bonded areas



## Further optimize the industrial structure in the comprehensive bonded area.

•Optimize and expand the business scope of production and operation of enterprises in the comprehensive bonded zone, and support the development of new formats and models such as bonded maintenance, financial leasing, cross-border e-commerce and remanufacturing.



## Further coordinate the two markets and promote the circulation of the comprehensive bonded area and the domestic market outside the zone.

•Increase the provisions of selective tariff collection, and make it clear that when the goods processed and produced by enterprises in the region are sold in the domestic market, enterprises can choose to pay tariffs according to their corresponding imported materials; It is clear that enterprises in the region can use the duty-free equipment within the supervision period to undertake the entrusted processing business outside the region, and fully release the surplus production capacity of enterprises in the region; Increase the relevant provisions of the VAT general taxpayer pilot.



## Optimize supervision, simplify the process and further release the reform dividend.

•Make it clear that the solid waste generated by enterprises in the region will be discharged according to the relevant domestic regulations on solid waste, and solve the problem of solid waste disposal of enterprises in the region after the import of solid waste is completely prohibited; Clarify that the goods in the comprehensive bonded area will be automatically deregulated when the supervision period expires; Optimize the inspection and maintenance management regulations of the outgoing area, and extend the inspection and maintenance period from the original "60 days plus 30 days" to "no more than the contract period"; According to Guo Fa No.3 Document, the regulation of "convenient access area management" was added.



## Increase the relevant regulations of inspection and quarantine to adapt to the new functions of customs.

•Add inspection and quarantine related laws as the legislative basis; It is clear that quarantine should be carried out in the inbound and outbound links in principle, and the safety of the country should be strictly observed. No quarantine should be carried out on goods entering and leaving the comprehensive bonded zone and outside the zone. In addition, considering that the reform of the business model of commodity inspection in the comprehensive bonded area has not been finalized, the regulations only provide guidelines for inspection, and still follow the current Measures for Inspection and Quarantine Supervision and Administration in Bonded Areas and other supporting regulations.



# Interpretation and comparison of management measures of comprehensive bonded areas





# Interpretation and comparison of management measures of comprehensive bonded areas



For goods entering the zone from overseas, the import duties and import link taxes will be suspended, and enterprises can decide whether to levy taxes or not according to the future flow of goods.



Materials, equipment, spare parts and office supplies required for infrastructure projects in the region imported from abroad;

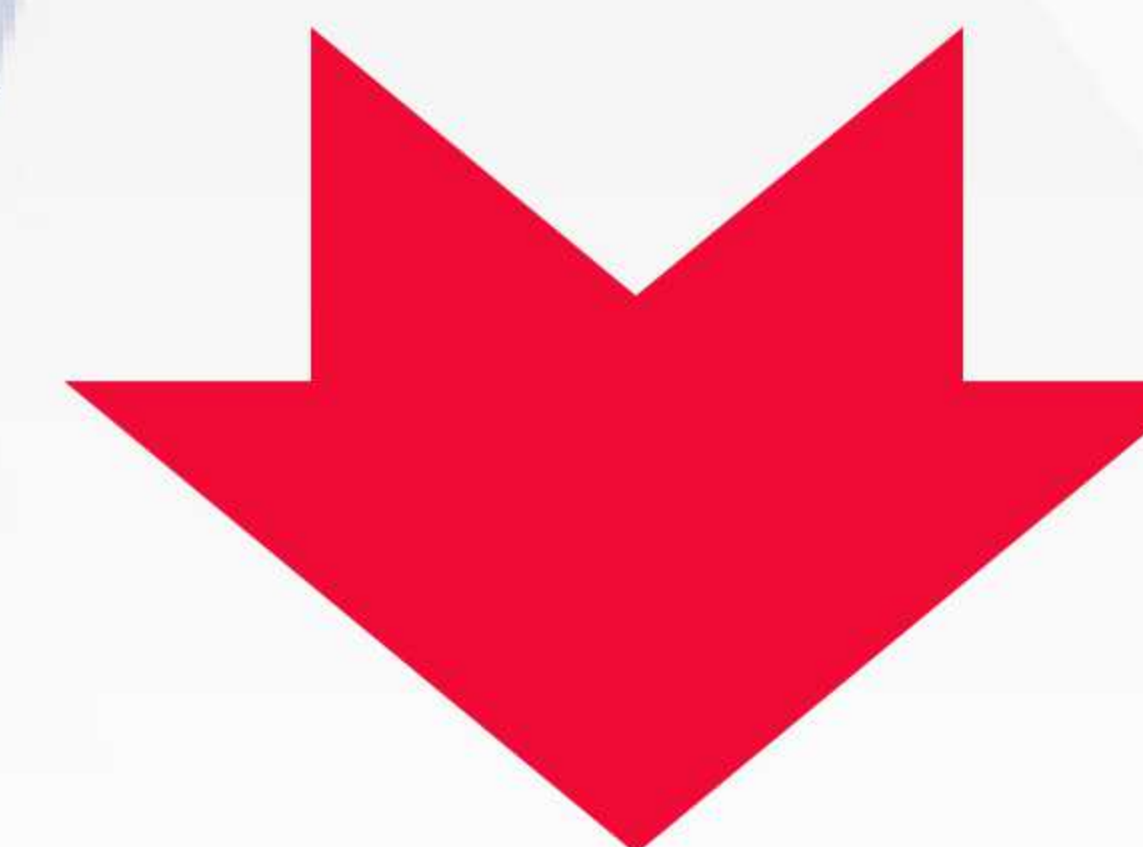
The value-added tax and consumption tax of domestic links of goods shall not be levied for the internal and inter-regional circulation links;

Export duties, value-added tax and consumption tax are not levied on goods leaving the country in the region.



Goods exported into the zone from outside the territory of China shall be subject to export tax refund of domestic value-added tax and consumption tax.

Enterprises in the comprehensive bonded zone will be included in the domestic tax deduction link after obtaining the VAT general taxpayer qualification, which can solve the problem that domestic VAT of enterprises in the zone cannot be deducted.





# Summary of emergency preventive measures in January

Country	Name of overseas enterprise	Explanation of preventive measures
Vietnam	Aquatic product production enterprise TAM PHUONG NAM SEAFOOD JOINT STOCK COMPANY (TPN SEAFOOD)	As Covid-19 nucleic acid was positive in two outer packaging samples of a batch of frozen golden thread minced fish imported from Vietnam, according to the provisions of General Administration of Customs Announcement No.103 of 2020, the national customs suspended the import declaration of Vietnamese aquatic product manufacturer Tam Phuong Nam Seafood Joint Stock Company (TPN Seafood) (registration number DL 79) for one week from January 6th.
South Korea	4 Korean independent cold storages (registration numbers are KP-032、 KP-695、 KP-151、 KP-693)	As Covid-19 nucleic acid was positive from two outer packaging samples and one inner packaging sample of two batches of frozen fine-scale salmon imported from four independent cold storages in South Korea, and one outer packaging sample of one batch of frozen Pacific cod. According to the provisions of Announcement No.103 of General Administration of Customs in 2020, the national customs suspended the acceptance of four independent cold storages in South Korea (registration numbers are KP-032, KP-695, KP-151, KP-6) from January 6th.
Vietnam	Aquatic product production enterprise Binh Long Company Limited - BILOFISH、 Frozen Factory AGF 9、 Factory 2- Lien Loc Phat Joint Stock Company	As Covid-19 nucleic acid was positive in three outer packaging samples of three batches of frozen Basha fish imported from Vietnam, according to the provisions of Announcement No.103 of General Administration of Customs in 2020, Since January 8th, the national customs has suspended accepting the import declaration of Vietnamese aquatic products manufacturers Binh Long Company Limited-Bilofish (registered number DL 529), Frozen Factory AGF 9 (registered number DL 09) and Factory2-Lien Loc Phat Joint Stock Company (registered number DL 347) for one week.
Vietnam	registration numbers are DL 849、 DL 847、 DL 347、 DL 412、 DL 340	As Covid-19 nucleic acid was positive from 9 outer packages and 1 inner package sample of 4 batches of frozen Basha fish imported from Vietnam, 1 outer package sample of 1 batch of frozen cuttlefish, 1 inner package sample of 1 batch of frozen mixed fish surimi and 1 outer package sample of 1 batch of frozen golden thread fish surimi. According to the regulations of General Administration of Customs Announcement No.103 of 2020, Since January 19th, the national customs has suspended the import declaration of products from five Vietnamese aquatic products manufacturers (registered numbers are DL 849, DL 847, DL 347, DL 412 and DL 340 respectively) for one week, and suspended the import declaration of products from one Vietnamese aquatic products manufacturer (registered number is DL 521) for two weeks.



# Analysis of new CIQ policies in January

Category	Announcement No.	Comments
Animal and plant product supervision	Announcement No.3 of the General Administration of Customs in 2022	Announcement on quarantine requirements for imported stevia rebaudiana plants from Rwanda. From January 7th, 2022, Rwanda stevia rebaudiana which meets relevant requirements will be allowed to be imported. The admitted Stevia rebaudiana refers to the stems and leaves of stevia rebaudiana planted, processed and dried in Rwanda. The announcement regulates quarantine pests, pre-shipment requirements, entry inspection and quarantine, etc.
	Announcement No.2 of the General Administration of Customs in 2022	Announcement on inspection and quarantine requirements of imported Belarusian beef. From January 7th, 2022, Belarusian beef and its products that meet relevant requirements are allowed to be imported. The admitted Belarusian beef refers to frozen and chilled deboned and boned skeletal muscles (the body parts of cattle after being slaughtered and bled with hair, viscera, head, tail and limbs (below wrists and joints) removed). Products that have not been admitted include diaphragm, minced meat, minced meat, minced fat, mechanically separated meat and other by-products are not allowed to be exported to China. The imported Russian beef products refer to the commercial sterile canned food which is made of the above-mentioned imported beef as the main raw material, and is processed by processing, canning, sealing, heat sterilization and other processes, and does not contain pathogenic microorganisms or non-pathogenic microorganisms that can breed in it at normal temperature. The announcement is standardized from the requirements of production enterprises, relevant inspection and quarantine requirements, certificate requirements, packaging, storage, transportation and labeling requirements, etc.
	Announcement No.117 of the General Administration of Customs in 2021	Announcement on quarantine requirements of imported citrus plants in Laos. From December 27th, 2021, Laos citrus which meets relevant requirements will be allowed to be imported. The admitted citrus fruits must be products from citrus producing areas in Laos, including orange (scientific name Citrus reticulata, English name Mandarin), grapefruit (scientific name Citrus maxima, English name Pomelo) and Lemon (scientific name Citrus limon, English name Lemon). The announcement regulates orchards, packaging plants, quarantine pests, pre-export requirements, entry inspection and quarantine and unqualified treatment.



# Analysis of new CIQ policies in January

Category	Announcement No.	Comments
Animal and plant product supervision	Announcement No.110 of the General Administration of Customs in 2021	Announcement on national pine plant quarantine requirements for imported pine wood nematodes. From February 1st, 2022, the logs or sawn timber of pine (scientific name Pinus spp., English name Pine wood) imported from Canada, Japan, South Korea, Mexico, Portugal, Spain, the United States and other countries must meet this requirement and be imported from designated ports.
	Announcement No.109 of the General Administration of Customs in 2021	Announcement on preventing foot-and-mouth disease from being introduced into China in five western provinces of Mongolia. Since December 16th, 2021, it is forbidden to import cloven-hoofed animals and their related products directly or indirectly from five provinces in western Mongolia, namely Govi-Altai, Ubusu (Uvs), Zavkhan, Khuvsgul and Bayan hunger, including raw or processed cloven-hoofed animals. Once found, it will be returned or destroyed.
Import and export food	Announcement No.114 of the General Administration of Customs in 2021	Announcement on clarifying relevant requirements for inspection and quarantine of imported dairy products. The customs has made it clear that after the abolition of the Measures for Supervision and Administration of Inspection and Quarantine of Import and Export Dairy Products, on January 1st, 2022, the import requirements for dairy products exported to China, such as the scope of quarantine approval and import safety requirements, will continue to be implemented.
Administrative approval	Announcement No.108 of the General Administration of Customs in 2021	Announcement on canceling the filing of the consignee of imported meat and the consignee of imported cosmetics in China. From January 1st, 2022, the registration of imported meat consignees and domestic consignees of imported cosmetics will be cancelled.



# Analysis of new CIQ policies in January

Category	Announcement No.	Comments
Administrative approval	Announcement No.45 of Ministry of Commerce, Ministry of Ecology and Environment and General Administration of Customs in 2021	Announcement on issuing additional catalogue of maintenance products in comprehensive bonded area. Adding 15 products can help enterprises in the comprehensive bonded area to carry out product maintenance business. Among them, B-type ultrasonic diagnostic apparatus, color ultrasonic diagnostic apparatus, noninvasive ventilator and other products are temporarily limited to the comprehensive bonded area to carry out bonded maintenance of the group's self-produced products; Products such as digital cameras, flying glasses, AR glasses, VR glasses, intelligent robots, unmanned aerial vehicles, computer entertainment machines, handheld game machines, remote control handles, etc. are temporarily limited to bonded maintenance in the comprehensive bonded zone.
Import and export control	Announcement No.416th of the Ministry of Agriculture and Rural Affairs of the People's Republic of China and the General Administration of Customs of the People's Republic of China	Since December 24th, 2021, pesticides imported and exported should be registered as pesticides. Units importing and exporting pesticides should obtain corresponding pesticide business licenses, and be responsible for the quality of pesticides. Pesticides exported should also obtain pesticide production licenses. Pesticide import and export notices should be handled for pesticides entering and leaving between special customs supervision areas, bonded supervision places and other areas within the customs territory (except special customs supervision areas and bonded supervision places). Pesticides in and out of special customs supervision areas, bonded supervision places and overseas countries need not apply for pesticide import and export notice except those listed in Rotterdam Convention. Pesticide import and export notice shall be managed by one batch and one sheet, that is, a batch of pesticides shall be imported and exported, and one pesticide import and export notice shall be handled, corresponding to one customs declaration form for import and export goods. The pesticide import and export notice is valid for 3 months.
	Ministry of Commerce and General Administration of Customs Announcement No.46, 2021	Announcement on export control of potassium perchlorate. Operators engaged in the export of potassium perchlorate from April 1, 2022 shall be registered with the Ministry of commerce. Without registration, any unit or individual shall not operate potassium perchlorate export. The customs shall go through the formalities for examination and release on the strength of the export license issued by the Ministry of Commerce.



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# Thanks

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