

# Customs Clearance News

December

Shanghai XINHAI  
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Shanghai Xinhai Customs Brokerage Co.,Ltd.

## Semiannual Issue of Customs Newsletter

Xinhai Customs Service Team

December, 2022





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01

# Measures of Customs for Facilitation on Construction of Credit System

Customs Advanced Certification Enterprise Standard/Declaration Standard of Tax-Related Elements/Voluntary Disclosure of Tax-Related Violation



# Preface

Since AEO system was officially put into effect in 2008. So far, China Customs has signed AEO mutual recognition Agreements with 22 economies, covering 48 countries or regions. AEO is a VIP of Customs, which can enjoy preferential treatment at both domestic and international levels. In recent years, China Customs has Continued to release policy dividends for AEO enterprises.





# Credit Management System(1)--Where Is the Sense of Gain Embodied in AEO Enterprises?

## Convenience Measures For AEO Enterprises

### 01 No.2190 of 2016 by Development and Reform Finance

- (1) The average inspection rate of imports and exports is lower than 20% of that of enterprises implementing conventional management measures.
- (2) Average proportion of spot checks in origin investigation of exports is lower than 20% of average spot checks of enterprises.
- (3) Priority is given to Customs clearance and related procedures.
- (4) Recommendation to register in other countries or regions will be given as enterprises for exporting agricultural products, food etc.
- (5) Application to Customs for exemption of guarantee.
- (6) Customs inspection and check frequency reduced.
- (7) Declaration can be made before the exports arrive at Customs supervision area.
- (8) Coordinators are assigned by Customs.
- (9) Customs convenience measures for clearance in AEO mutual recognition countries or regions.
- (10) Joint incentive measures for keeping good faith implemented by relevant state departments.
- (11) Priority is given to Customs clearance after international trade is resumed due to force majeure.
- (12) Other management measures by GACC.

### 02

### No.73 of 2022 by Enterprise Administration of GACC

1. Priority is given to laboratory test
2. Optimizing risk control practices
3. Optimizing supervision on Processing trade
4. Optimizing Customs Check operation
5. Priority to port inspection
6. Priority to territorial inspections



## Approval Standard

Certification standard items are adjusted from the original 5 categories of 32 indicators into 4 categories of 16 indicators.

01

## Hazardous Articles

The red bottom line is added for the case of false declaration , concealment and secretly carrying of hazardous articles.

02

## Ways of Approval

The grading system has been cancelled, and the results are classified as up to standard, basically up to standard, not up to standard and not applicable. If an enterprise has one item substandard, it means the enterprise fails in the certification.

03





## Sense of Confidentiality

The new standard adds the content of education and training of awareness of confidentiality of employees

04

05

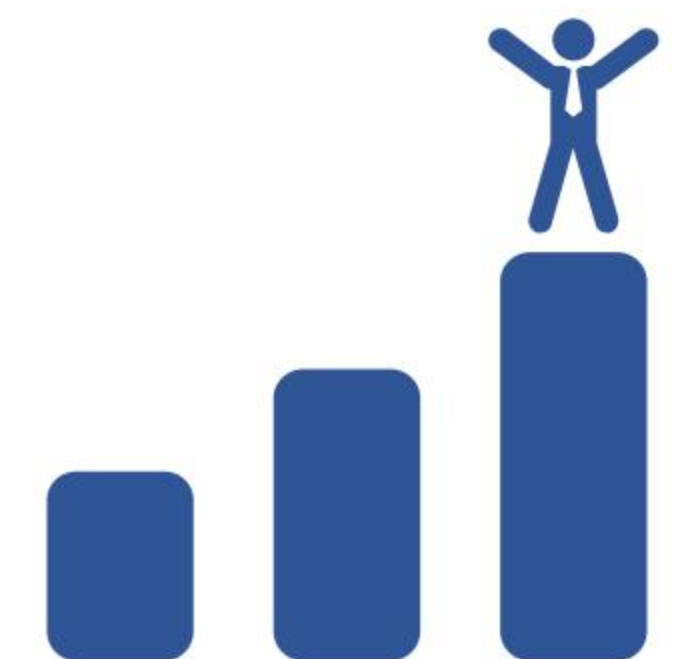
## Containers and Business Partners

The new standard adds the explanations of safety of business site, containers, business partners and imported and exported goods and articles.

06

## Voluntary Disclosure

Customs fault-tolerant mechanism is greatly improved. The article is added which writes problems discovered by enterprise's self-check and reported to Customs and approved by Customs.





# Difficulty Analysis of Announcement No.106—the Identification Standard of Tax-Related Element Declaration Standard by Announcement No.114 of 2022

## Up to Standard

If the Customs does not find that the enterprise has the problem of non-standardization in the identification standard of tax-related elements declaration, the enterprise's standard of tax-related elements declaration shall be deemed to meet the standard.

## Not Up to Standard

If the Customs finds that there is non-standard problems in the identification standard items of enterprise that takes the underpayment of tax as the identification standard, and the relevant project indicators are not up to standard.



## Not Up to Standard

If the Customs finds that there is non-standard problems in the identification standard items of enterprise that does not take the underpayment of tax as the identification standard, and the relevant project indicators are not up to standard.

## Up to Standard

If the enterprises does not underpay taxes or the accumulative amount of tax underpayment does not exceed 100000 yuan, the relevant project indicators shall meet the standard.



## Standard Declaration of Commodities

Descriptions, specifications and models should be filled in the declaration forms according to List and interpretation of Standard Declaration of Commodities by Customs of the People's Republic of China(annual renewal)

## Classification Accuracy

An accurate HS code should be made on the basis of HS Coding System, The Explanatory Notes to Headings, National Subheading Notes, Customs Rulings on Classification, Customs Decisions on Classification. Regulation of Classification on Imported and Exported Commodities of Customs of the People's Republic of China(Order No.252 By GACC)

## Loyalties

If dutiable loyalties have been paid before declaration, the amount paid should be filled in the column "Incidentals" instead of "Gross Price" of the declaration form . If dutiable loyalties have not been paid before declaration, declaration for duty-collection should be made to Customs within 30 days of every payment. Announcement No.58 of 2019(Announcement on Duty-collection on Loyalties)

## Document of Origin

Declaration and presentation of Document of Origin under Preferential Trade Agreement should meet the requirements of measures of administration on preferential trade agreement and related announcement.. Announcement on the Filling Standard and Declaration of the Column of Origin of Declaration for Imports and Exports under the Preferential Trade Agreement(Announcement No.34 of 2021 by GACC)



# Construction of Credit Management System(2)-- Announcement No.54 of 2022 By GACC

## Exempt from Administrative Penalty



Voluntarily disclosing to Customs within 6 months from the date of occurrence of tax-related violations or Voluntarily disclosing to Customs within 1 year after 6 months from the date of occurrence of tax related violations, the amount of tax evasion or underpayment less than 30% of tax payable, or less than RMB 1 million yuan.

## Exempt from Overdue Fine



Import or export enterprises or bodies may apply to Customs for exemption or overdue fine if Customs Determines the disclosure is made voluntarily and no penalty is imposed.

## No Influence on the Credit Management of Enterprises



Acts of Import or export enterprises or bodies that voluntarily disclose to Customs and are punished by Customs with a warning or administrative penalty of less than RMB 1 million shall not be included in the records of credit status.







02

## Measures of Customs Risks Control

Reform Pilot of Inspection Mode of Imported Hazardous Chemicals/No Differentiation of Ignition

Point of Diesel /Phthalocyanin Pigments/High Pressure Water Cannon Products



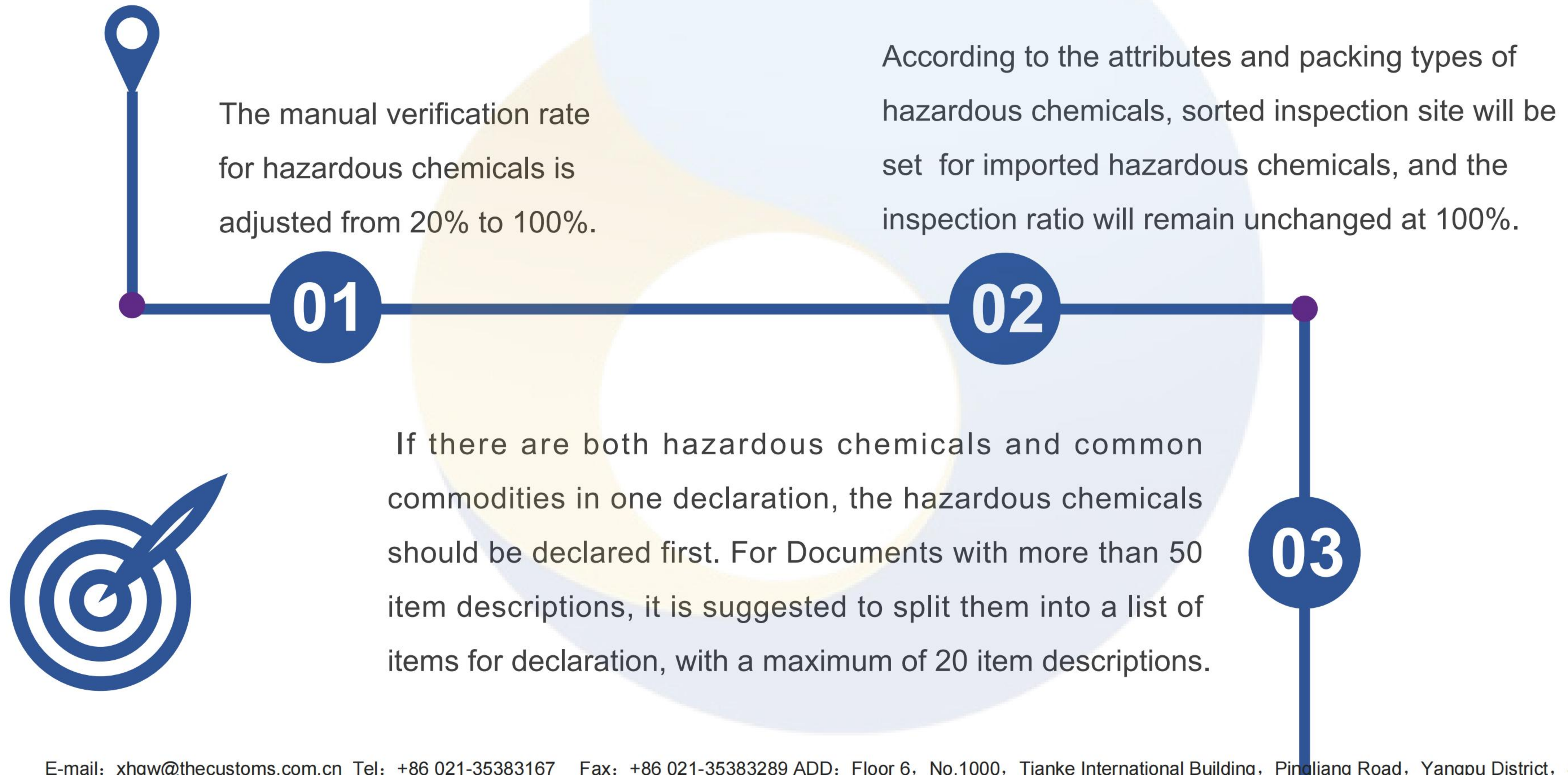
# Preface

In order to further strengthen the management of hazardous chemicals, Shanghai Customs decided to take Pujiang Customs House as a pilot to push forward the reform of the inspection and supervision mode of imported hazardous chemicals. Starting from December 1, 2022, all hazardous chemicals declared for import to Pujiang Customs House will be subject to the mode of 100% document verification plus port inspection or destination inspection. The pilot will last 3 months.





## Interpretation of the Announcement: Announcement of Shanghai Customs Carrying out the Pilot Reform of Inspection Mode for Imported Hazardous Chemicals





## Measures for Risk Control by Customs:

When the consignee or his agent makes declaration for phthalocyanin pigments under HS code 32041700, he should fill the subheading code number 32041700.20 in the declaration form ; while for retail-packaged phthalocyanin pigments under HS code 32129000, the subheading number should be 32129000.10



The Ministry of Commerce has initiated an anti-dumping investigation against imports of polycarbonate from Taiwan. **This product is classified in 39074000(2022 version of the Tariff Coding system for Imports and Exports of the people's Republic of China)**



From January 1, 2023, Diesel will no longer be classified by ignition points and be included in the supervision of hazardous chemicals.



From December 1, 2022, export of high-pressure cannons are controlled.





03

## Reform Measures to Facilitate Customs Clearance

Acceptance of Third-Party Verification Results to Improve Efficiency of Inspection  
for Imports and Exports



# Preface

Administrative Measures on Acceptance of Inspection on Imports and Exports of the People's Republic of China was put into force on December 1, 2022. The Measures are formulated on the basis of risk assessment.. For some imports and exports, Customs accepts the inspection results of the crediting inspection institutions and take them as the legal assessment basis.





# What Benefits and Convenience Can Acceptance of Third-Party Inspection Results Bring to Enterprises?

Customs will no longer conduct sampling tests on imports and exports, and release them as soon as they are declared.

The inspection report can be reused, so that enterprises do not need to repeat sampling and testing for goods of the same specification and models.



Within the validity period, the test results are applicable to the whole country.

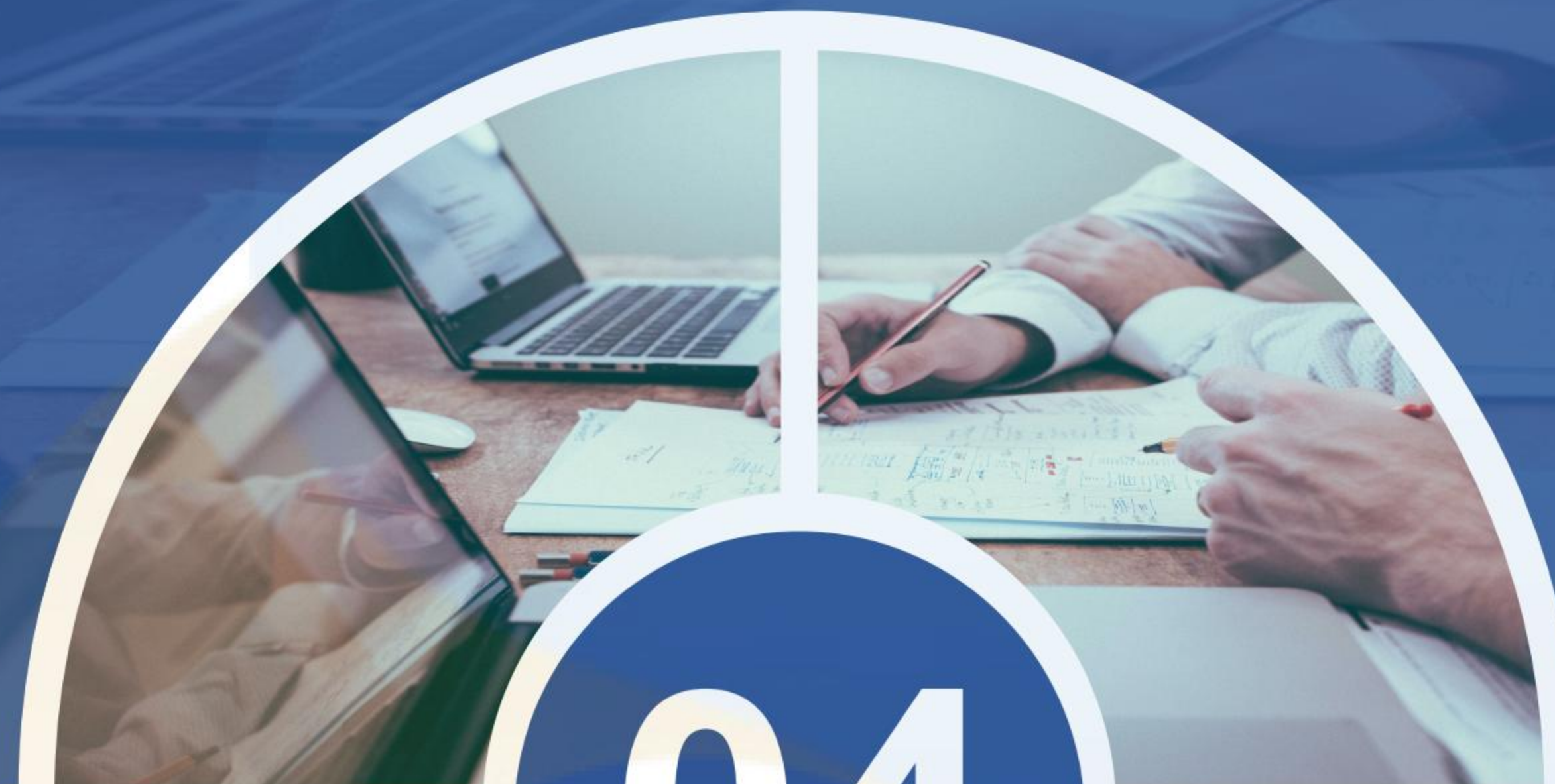
This will reduce the compliance cost of enterprises and improve the efficiency of Customs clearance.



# Procedures of Customs Adopting Third-Party Certification Results for Import and Export Enterprises







04

## Global Dynamics of Xinhai





IFCBA group photo



Gejizhong, Chairman of IFCBA delivered a welcome Speech



Deputy secretary-general Wang Min speech



Speech by Wu Xia, customs expert of Oujian Group

IFCBA international conference is an annual global meeting organized by IFCBA.

Gejizhong, guest consultant of China Customs Brokerage Association and chairman of Oujian Group, attended the meeting and delivered a speech on behalf of China Customs Brokerage Association.

Wangmin, deputy secretary general of China Customs Brokerage Association, stressed at the meeting that the work of the Association in the coming year will focus on professional capacity building, improving the service ability for Customs compliance of the Customs Affair service enterprises and their employees, and further enhancing the influence of the industry and strengthening the deep cooperation with trade organizations.

As a specialist of Customs affairs of Ou Jian Group, Wuxia spoke at the meeting about the uniformity of classification Rules.



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# Thanks for Watching

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