

# Customs Clearance News

January

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## Customs Newsletter of January

**The Main Melody of 2024--"Compliance" Is the Topic of the People  
Who Are Engaged In Customs Service Can Never Avoid**

- Analysis of Customs Supervision Trends In 2024
- Risk Warning for Enterprises In 2024
- These Goods Are allowed to Be Imported Into Chin in 2024

Xinhai Customs Service Team

January , 2024



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# PART 01

## "Compliance" Is the Topic of the People Who Are Engaged In Customs Service Can Never Avoid

Detailed interpretation of "Criteria of the Customs Administrative Penalty Discretion of the People's Republic of China 1, 2, 3"

# Detailed interpretation of “Criteria of the Customs Administrative Penalty Discretion of the People’s Republic of China 1, 2, 3”

## Background and Significance

Recently, the customs issued the specific yardstick and standard for the handling of administrative penalty cases, namely the "Criteria of the Customs Administrative Penalty Discretion of the People's Republic of China". It is based on "Opinions of The General Office of the State Council on Further standardizing the formulation and management of the benchmark of administrative discretion"(NO.27 of 2022 by The General Office of the State Council). The publication of the Criteria is to realize the requirements of institutionalization of administrative discretion standards, standardization of behaviors and scientific management and to safeguard the right of administrative counterparts to know, and facilitates enterprises to understand the legal risks of their own behaviors in advance.

**Let's thumbs up for the legislation of Customs !**



### Before Publication of the Criteria

The standard of quantity penalty based on tax evasion is to impose a fine of more than 30% and less than 2 times the amount of tax evasion, and the discretion of the customs of 30%-2 times is too large, and the enterprises can not predict the penalty result of the case, so they dare not disclose to the Customs voluntarily and try to avoid punishment.



### After Publication of the Criteria

The specific scale and standards for the handling of administrative punishment cases have been clarified, and enterprises can know the legal risks of their own behavior in advance, and predict the outcome of the case, therefore they dare to disclose to the Customs voluntarily and calmly accepted the punishment.

The customs handles cases in accordance with the general administrative penalty standards, and understands the "discretion benchmark" to strive for light, mitigation, or even exemption from punishment!



## Characterizing the Behavior Involved

From the Objective respect whether there are illegal facts and evidence, From the Subjective respect whether there is a fault, or both. The establishment of the case constitutes an illegal act.



## Pursuing Legal Liability

According to Article 6 of the "discretionary basis", five levels of discretion are set up: no administrative punishment, mitigation of administrative punishment, lighter administrative punishment, general administrative punishment and heavier administrative punishment.

## Minor Offences Are Not Punished

1, Law enforcement basis: Article 33 of the Administrative Penalties Law stipulates that "if the illegal act is minor and corrected in time, and no harmful consequences are caused, administrative penalties shall not be imposed."

2, In line with the "Customs Administrative punishment" "minor violations of punishment" item list (1) of the provisions of 11 matters (discretion basis 1) 3, in line with the "Customs Administrative punishment" "minor violations of punishment" item list (2) of the provisions of 12 matters (discretion basis 2).

## The First Offence is Not Punished

1, According to the provisions of Article 33 of the Administrative Penalties Law, those who violate the law for the first time and have minor harm consequences and correct them in time may not be subject to administrative penalties.

2, In line with the "Customs administrative punishment for the first violation of the" list of matters (I) "provided for 11 matters (discretionary basis 1)

## No Penalty for Undetected Offences for 2 Years

The illegal act has not been discovered within two years; If it involves the life, health and safety of citizens, financial safety and has harmful consequences, the above period shall be extended to five years. Except as otherwise provided by law.

## No Subjective Offences are not Punished

The parties have sufficient evidence to prove that there is no subjective fault. If laws or administrative regulations provide otherwise, such provisions shall prevail; For example, the difference in HS number leads to the underpayment of taxes or unpaid taxes, and if the enterprise provides the inspection method for inspection, or there is a customs pre-ruling, which can prove that some procedures have been performed, it can be exempted from punishment.

## Affecting Customs Statistics

The value of the goods involved in the case is less than 200,000 yuan, which affects the statistics and exempts punishment; The value of the first illegal goods less than 500,000 is free of punishment.

## Affecting Duty Collecting

For minor illegal acts that fail to pay taxes of less than 5,000 yuan, if the back taxes are paid, the involved parties are free of punishment; For the first illegal act of failing to pay tax of less than 10,000 yuan, if the back taxes are paid, the involved parties are also free of punishment.

## Affecting License Management

The value of the goods involved less than 30,000 yuan is a minor violation of the law and is free of punishment. The value of the goods involved in the case less than 50,000 yuan and subject to the first violation of the law is also free of punishment. The involved goods under the management of restricted license and the value less than 100,000 yuan is also free of punishment.

The Value of the  
Goods Mentioned  
In The Article is In  
RMB

## Affecting Supervision Order

The false declaration affects the customs supervision order and the involved goods with a value of less than 50,000 yuan are minor violations and immune from punishment; The false declaration affects the customs supervision order and the involved goods with a value of less than 100,000 yuan are not punished for the first time.

## Unauthorized Sale and Use of Uninspected Imported Goods Which Should Be Legally Inspected

At the same time cases meeting the following circumstances shall not be punished: 1. The value of the goods is less than 5000 yuan; 2. The commodities involved do not belong to dangerous chemicals, food or food additives; 3. The involved party cooperates with customs law enforcement to dispose of the goods.

## Intellectual Property Goods Are Not Declared Truthfully

If the quantity of the import and export infringing goods is less than 500 pieces and the value is less than 10,000 yuan, the party concerned acknowledges in writing that the goods are infringing goods, voluntarily renounces the infringing goods and submits them to the Customs for handling according to law, no penalty shall be imposed; Where it is necessary to declare the status of intellectual property rights to the Customs, failure to truthfully declare in accordance with regulations or failure to submit documents supporting the lawful use of the relevant intellectual property rights, and the value of the import and export goods is less than 100,000 yuan, the party concerned shall not be punished if it makes corrections in time.



## 2 Voluntary confession of illegal acts not yet known to the Customs

Identified by the customs as voluntary disclosure



## 4 The Party has meritorious performance in cooperating with the customs to investigate and handle illegal acts



## 1 Take the initiative to eliminate or mitigate the harmful consequences before the customs discovers the illegal acts



## 3 The harmful consequences of illegal acts are less serious



# PART 02

## Analysis of Customs Supervision Trends In 2024

AEOs are getting more and more Policy Dividends

More and More Facilitation Measures Have Been Taken in the  
Comprehensive Zones

The Green Channel of Integrated Circuit Industry Is Becoming  
More and More Smooth

Authorized Economic Operator(AEO) are high-quality enterprises with high credit, which is of great significance to consolidate the basic foreign trade plate and promote the quality and upgrading of the construction of international trade centers

## Several Measures of Shanghai Municipality on Further Strengthening Efforts to Support the High-Quality Development of Authorized Economic Operator In Shanghai

Authorized Economic Operator (AEO) are high-quality enterprises with high credit, which is of great significance to consolidate the basic foreign trade plate and promote the quality and upgrading of the construction of international trade centers. It is necessary to improve the degree of enterprise agglomeration, introduce and cultivate more AEO enterprises, and promote upstream and downstream high-quality enterprises to cluster. It is necessary to benchmark the international first-class, continue to optimize the customs clearance services of AEO enterprises, further improve the convenience of customs clearance, provide more financial, tax and logistics convenience, and try more substantive facilitation measures first to improve the perception of enterprises.



# More and More Facilitation Measures Have Been Taken in the Comprehensive Zones



**Implementation Plan of the General Administration of Customs to Promote the Sustainable and High-quality Development of Processing Trade**

**General Administration of Customs Announcement No. 200 of 2023 (Announcement on Further Optimizing the Management of Entry and Exit of Comprehensive Free Trade Zones), allowing qualified comprehensive free trade zones to set up special easy access at checkpoint, and implementing classified passage for goods entering and leaving the zone.**



**Improving the level of facilitation, continuing to optimize the business environment**

and relaxing the time limit for the centralized declaration of deep processing carry-over; Optimizing the management of export return and exchange of finished products in processing trade; Optimizing centralized domestic sales and enterprise relocation procedures;

**General Administration of Customs Announcement No. 185 of 2023 (Announcement on Optimizing the classification and supervision of goods stored in the Comprehensive Bonded Area according to their status)**

the declaration of non-bonded goods under classification supervision in the area to be converted to bonded storage goods, or the application of bonded storage goods to continue to be stored in the area by classification supervision after completing customs formalities is allowed to direct verification of customs account books, no need of seeking real goods in and out of the checkpoint management mode.

# The Green Channel of Integrated Circuit Industry Is Becoming More and More Smooth



## Photoresist and polyimide orientation liquids containing a certain proportion of gamma-butyrolactone are exempt from import licenses

Since January 1, 2024, photoresist, polyimide orientation solution, diluent, photosensitive solution and anti-reflective film forming solution with a content of less than 60% (including) of gamma-butyrolactone are exempt from import licensing.

## The contact information of integrated circuit enterprises for priority inspection of import and export of hazardous chemicals was announced

Shanghai Customs has opened up a one-stop fast channel for the import and export of hazardous chemicals by middle and downstream enterprises (except untrustworthy enterprises) that have been filed on the integrated circuit, and implemented priority inspection and "5+2" reservation inspection for goods of the above enterprises, so as to realize the "same-day clearance" of normal operations and the first disposal of abnormal operations.

## Supervision Innovation Measures of Shanghai Customs to Support the Development of Integrated Circuit Industry

On December 26, 2023, Shanghai Customs issued a new round of several measures to support the development of the integrated circuit industry, to support key entities to play a better role, so as to ensure that key imported products are put into production faster, and to help key links reduce costs and increase efficiency.

# PART 03

## Risk Warning for Enterprises In 2024

Risk 1: Tariff Reductions on Some Products Will Be Terminated

Risk 2: Risk of Changes in Dual-Use Items and Import and Export Licenses

Risk 3: Adjustment of Table of 2024 Tariff Headings

## Risk 1: Tariff Reductions on Some Products Will Be Terminated



Announcement of the Tariff Commission of The State Council on the suspension of tariff concessions for some products under the Economic Cooperation Framework Agreement between the Two Sides of the Taiwan Straits Announcement No. 9, 2023

Starting from January 1, 2024, for imported products of the 12 tariff items listed in the annex, such as propylene and paraxylene, the agreed tariff rates of the Economic Cooperation Framework Agreement across the Taiwan Straits will be suspended and implemented in accordance with the current relevant provisions.

Ministry of Commerce: Study further suspension of ECFA early harvest agricultural and fishery, machinery, auto parts, textiles and other products tariff concessions

## Risk 2: Changes in import and export licenses for dual-use items and technologies



### 01 Gamma-butyrolactone content less than 60% (inclusive)

Since January 1, 2024, photoresist, polyimide orientation solution, diluent, photosensitive solution, and anti-reflective film production solution with  $\gamma$ -butyrolactone content less than 60% (including) are exempt from import license, and are exempt from domestic purchase and transportation record certification; Printing inks with gamma-butyrolactone content less than 20% (including) (including consumables such as cleaning cartridges) are exempt from import and export licenses, and are exempt from filing certificates for domestic operation, purchase and transportation.

### 03 Export Control Shall Be Imposed on Drones and Drone-Related Items

Since September 1, 2023, the export control of UAVs and related items that meet certain characteristics will be implemented. In the 9th part of the Dual-Use Items and Technologies Import and Export License Management Catalogue in 2024, some UAV-related items under Announcement 27 were added to the sub-list of dual-use items and technologies, a total of 7 specific products under No. 4-10, and drones under Announcement 28 were included in the new sub-list 12 - "Temporary control drones".

### 02 Optimally Adjusting the Temporary Export Control of Graphite Items

As of December 1, 2023, temporary export controls have been lifted for certain graphite, only artificial graphite materials and their products and natural flake graphite and their products are subject to export controls.

### 04 Implementation of Export Control on Gallium and Germanium Related Items

According to Announcement No. 23 of 2023 of the General Administration of Customs of the Ministry of Commerce (Announcement on the Implementation of Export Control of Gallium and germanium related items), gallium and germanium related items have been implemented export control as of August 1, 2023.

## Risk 3: Adjustment of Table of 2024 Tariff Headings

# 01

**Domestic subheading notes added to subheading 1211.9039**

It can be a whole plant, moss or lichen, it can be a part of the product, it can be the waste left after mechanical treatment, it can also be some single species of plants or parts of plants packaged into an herbal infusion or herbal "tea", such as peppermint tea, Dr. Ruyi tea (line leaf broom), etc.



# 03

**Subheading 3206.1110 for titanium dioxide was deleted and the domestic IV subheading was added**

The difference between 32061111 and 32061119 lies in the requirement of rutile type content and brightness, and only the titanium dioxide with both rutile type content  $\geq 99.8\%$  and brightness dry powder content  $\geq 99.0\%$  can be classified into 32061111, otherwise it can only be classified into 32061119.

# 02

**Adjustment of the range of subheading 4805.9190 and decorative base paper was added to subheading 4805.9190**

Heading 4805 does not include paper and board processed by methods other than those permitted in Note 3, such as coated or impregnated paper or board (heading 4809 to 4811), so decorative base paper here should be based on decorative base paper.





# PART 04

## These Goods Are allowed to Be Imported Into China in 2024

Vietnamese Fresh Watermelon/Finnish Poultry/Uruguayan  
Mutton/Uruguayan Beef/Brunei Wild Aquatic Products

## Announcement No. 188 of 2023 By GACC

As of 22 December 2023, the import of Finnish poultry meat that meets the requirements have been allowed. Finnish poultry meat permitted for import this time refers to edible frozen chicken meat (the edible parts of the body of a live bird that have been slaughtered and bled to remove the hair, internal organs, head, neck, wings and feet) and their by-products

**Vietnamese Fresh Watermelon**

**Poultry/  
Uruguayan Mutton**

## Announcement No. 1 of 2024 By GACC

The import of Brunei wild aquatic products that meet the requirements are allowed from 1 January 2024.

## Announcement No. 184 of 2023 By GACC

Imports of Vietnamese fresh watermelons that meet the requirements are allowed from December 15, 2023. This entry refers to the fresh edible Watermelon produced in the watermelon producing areas of Vietnam, the scientific name *Citrullus lanatus*, the English name watermelon.

**Finnish poultry Meat**

## Announcement No. 189 of 2023 By GACC

From December 22, 2023, imports of Uruguayan mutton (containing edible sheep by-products) are allowed. The permitted import of mutton means frozen and chilled boneless and bone-in edible sheep and goat meat.

**Brunei Wild Aquatic Products**

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# Thanks for Watching

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