

中英双语
Chinese & English

2019 中国贸易便利化 年度报告

TRADE FACILITATION ANNUAL
REPORT OF CHINA (2019 EDITION)

《中国贸易便利化年度报告》编撰编委会◎编著



中国商务出版社
CHINA COMMERCE AND TRADE PRESS

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Beijing Re-code Trade Security and Facilitation Research Center

<http://www.re-code.org/>

1107 Donghai Center, Jianguomen Wai, Chaoyang District, Beijing, 10004 PRC

+86-10-65150119

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项目成员

Team Members

项目统筹：江小平 郭崢 林倩

Directors: JIANG Xiaoping, GUO Guo, LIN Qian

项目专家（排名不分先后）

Experts

江小平

北京睿库贸易安全及便利化研究中心主任。

曾任职于海关总署、地方海关、外经贸局等政府机构及外贸公司、世界 500 强外企，现兼任《中国海关》杂志社专家库成员、对外经济贸易大学客座教授、亚洲开发银行跨境贸易专家。先后组织实施《国际进出境快递货物海关监管制度》《边境地区小额贸易的现状与发展》（亚洲开发银行项目）、《海关特殊监管区保税物流流转管理制度改革》《进出口海运放行时间》（系列课题）等一系列具有应用价值的研究课题，是中国海关制度建设的积极参与者、影响者。《中国贸易便利化年度报告》（2016、2017）课题项目发起、规划、组织、统筹及部分编撰。

Mr. JIANG Xiaoping

Director, Beijing Re-code Trade Security and Facilitation Research Centre
Mr. JIANG used to serve in the General Administration of China Customs, Local Customs Authority, Bureau of Foreign trade and other government agencies as well as foreign trade corporation and global top 500 companies. He is now a member of the think-tank of the China Customs magazine, guest professor of the University of International Business and Economics and cross-border trade expert of Asian Development Bank (ADB). Being an active participant and influencer in the development of China Customs System, Mr. JIANG has hosted and organized a series of research projects with applied value, including Customs Control System of International Inbound and Outbound Express Freight, Current Status and Development of Small-scale Trade in Border Regions (ADB program), Reform on the Circulation Management System of Bonded Goods in Special Customs Supervision Zones, and Research on Release Time of Import and Export Sea Cargoes. Mr. JIANG is the initiator, designer, organizer, coordinator as well as writer of the Annual Report on Trade Facilitation in China (2016&2017).

林倩

北京德和衡律师事务所高级合伙人、执业律师，北京睿库贸易安全及便利化研究中心研究员，中国政法大学研究生院兼职教授。

林倩律师曾在海关总署从事走私违规案件的审理和立法工作，是海关法领

Mr. LIN Qian

Senior partner of Beijing DHH Law Firm and practicing attorney, a researcher of Beijing Re-code Trade Security and Facilitation Research Centre and adjunct professor of Graduate School of China University of Political Science and Law.

Mr. LIN was a senior legal expert on customs laws who was engaged in trials of smuggling cases and legislation in the General

域资深法律专家。为《中国海关》杂志“老林说法”专栏特约撰稿人，发表海关进出口贸易合规法律风险防控方面的文章数十篇，是进出口贸易合规类专著《老林说法》一书的作者。

李卓

长期从事关务工作,有丰富的关务、商务、税务工作经验,熟悉外贸、海关政策及实务操作,擅长关务全流程优化整合《中国贸易便利化年度报告》(2017)课题项目组成员。

张浩

深圳市全运通物流发展有限公司关务总监。

从事进出口报关和物流工作 17 年,曾担任大型台资和美国上市公司在华工厂的船务主管和物流经理等职,擅长企业贸易合规和加工贸易保税管理,对海关和检验检疫政策法规有较深钻研和学习。

熊斌

深圳市天地纵横企业管理顾问有限公司创始合伙人,长期从事关贸政策研究、涉外型企业管理咨询和技术服务工作。

具备深厚的疑难涉外问题处置和解决能力,指导众多大中型涉外企业的海关、税务、外汇、工商、贸易模式、供应链筹划工作,帮助其建立贸易合规管理体系。积极参与新型贸易业态创新筹划、课题研究和政策推进工作。长期担任商务部培训中心、中国国际

Administration of China Customs. He is currently a guest writer of “Lin’s Legal Lens” column of the China Customs, publishing dozens of articles on import and export trade compliance and legal risk prevention. He’s also the author of Lin’s Legal Lens, a popular book on trade compliance of imports and exports.

Mr. LI Zhuo

Mr. LI has long been engaged in customs affairs with rich experience in customs, business, and taxation. Mr. LI is familiar with international trade, customs regulation and customs clearance, and skilled in integration of overall customs clearance procedures. He is a member of project of Annual Report on Trade Facilitation in China (2016&2017).

Mr. ZHANG Hao

Director of the Customs Affairs, Shenzhen Channelton Logistics Development Co., Ltd.

Mr. ZHANG has been engaged in customs declaration and logistics service for 17 years and served as the director of shipping and logistics manager in the factory in mainland China of a Taiwan-invested company and an American listed company respectively. Skilled in trade compliance of enterprises and management of bonded processing trade, he does deep study on policies and regulations of customs as well as inspection and quarantine matters.

Mr. XIONG Bin

Founding partner of Shenzhen Mbase Consultants Co., Ltd.

Mr. XIONG has long been engaged in the research of trade policy, providing consultations on the management of foreign-related enterprises, and offering technical services. He is equipped with outstanding capabilities in solving challenging problems concerning foreign affairs. Mr. XIONG provides guidance to many large and medium-sized enterprises on issues regarding customs, taxation, foreign exchange, business, trade mode and supply-chain, and helps them to establish trade compliance management system. He is actively involved in the planning of innovation of new-type trade mode, research and policy promotion. He has been serving as the guest trainer for the Training Center of Minis

商会、中国贸易促进会、中国五矿化工进出口商会特邀培训专家。著有《外贸企业轻松应对海关估价》《涉外型企业海关事务风险管理报告》《加工贸易实务操作与技巧》《AEO 认证实用手册》等系列书籍。《中国贸易便利化年度报告》（2016、2017）课题项目组成员。

郭崢

长期从事关务信息工作，熟悉海关、外贸政策动态，擅长关务资讯产品生产全流程管理。《中国贸易便利化年度报告》（2016、2017）课题项目组成员。

于德水

长期在海关（原检验检疫转隶）基层一线多个岗位工作，对原检验检疫技术法规、标准、合格评定等较为熟悉。主持和参与科研、政研课题多个，发表论文多篇，主持制订 SN 行业标准 2 项《中国贸易便利化年度报告》（2016、2017）课题项目组成员。

周卓见

经济学硕士，专业领域为国际贸易与数据分析。

2014 年加入北京睿库贸易安全及便利化研究中心，参与了《中国进出口货

try of Commerce, China International Chamber of Commerce, China Trade Promotion Association and China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters. He has authored a number of books including Techniques of Customs Valuation for Foreign Trade Enterprises, Report on Risk Management of Customs Matters of Foreign-related Enterprises, Practice and Techniques of Processing Trade and Handbook of AEO Accreditation. He is a member of project of Annual Report on Trade Facilitation in China (2016&2017).

Mr. GUO Guo

Mr. Guo has long been engaged in customs information matters, is sensitive to customs and foreign trade policy. He is an expert in whole-process management of the production of customs information products. He is a member of project of Annual Report on Trade Facilitation in China (2016&2017).

Mr. YU Deshui

Mr. YU has served in grass-root positions in the customs (inspection and quarantine) field for a long-time, and thus is familiar with technical regulation, standard and conformity assessment procedures of inspection and quarantine.

Mr. YU hosted or participated in a number of academic and policy research programs hosted by the General Administration of Quality Supervision, Inspection and Quarantine of China and its subordinated bureaus as well as programs of provincial and municipal level. He worked as the team leader or member in several scientific and policy-making research projects, has a number of essays published, and took a leading role in revising two industrial standards of SN. He is a member of project of Annual Report on Trade Facilitation in China (2016&2017).

Mr. ZHOU Zhuojian

Mr. ZHOU has a master degree of economics and specializes in international trade and data analysis.

Mr. ZHOU joined Beijing Re-code Trade Security and Facilitation Research Centre in 2014, and he was involved in the design and

物口岸放行时间评测》《贸易便利化评价指标体系》《口岸收费调查》等一系列研究课题的方案设计和具体实施工作，并主要承担了各项目中的流程整理和数据分析任务。

implementation of a few research projects, including Time Release Study of Import and Export Goods at Ports in China, Assessment Indicator System of Trade Facilitation and Charge Survey at Ports, and undertook the process collection and data analysis.

Readers' Guide

1. This report is structured according to Section I of Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO). It reviews how China has implemented TFA, provision by provision. Re-code has made certain modifications and adjustments on the "Assessment Index System of Trade Facilitation" adopted in the relevant reports by the Organization for Economic Co-operation and Development. By designing the special evaluation questionnaire, Re-code organized a questionnaire assessment and produced a quantitative report.

2. On September 4, 2015, China ratified the protocol of WTO TFA, becoming the 16th member to accept it and contributing significantly to its implementation at an early date. China had reservations about Paragraph 6 of Article 7 "Establishment and Publication of Average Release Times", Paragraph 4 of Article 10 "Single Window", Paragraph 9 of Article 10 "Temporary Admission of Goods and Inward and Outward Processing", and Article 12 "Customs Cooperation". This Report also reviews these provisions except Article 12.

3. Drawing on the international experience, we change the nomenclature of the annual report based on the years of data coverage. Instead and launch the 2019 edition after the 2016 and 2017 editions by taking the year of reporting guidance as the benchmark.

4. Among the main body of the text, those parts listed by Arabic numbers or English letters, and spanning the full width of the content area, are the original articles of WTO TFA. The rest are comments made by Re-code.

5. According to the arrangement of the Chinese central government, the entry and exit inspection and quarantine duties and workforce of the former AQSIQ was integrated into GACC. Since April 20, 2018, the previous entry-exit inspection and quarantine workforce has operated as an integral part of Customs. In view of this, since the 2019 edition of this report, the comments are no longer made by "customs" and "inspection and quarantine". However, since the data update range of the 2019 edition report is from November 1, 2007 to August 31, 2018, and, in response to the institutional reform, the formulation, revision and abolition of a large number of related laws and regulations are still in process, in the report relevant contents related to the former AQSIQ are still retained.

6. The regulations, policies, and information sources contained in this Report are attached to the text of its electronic version published in the "Research Report" column on the official website of Re-code (www.re-code.org) with hyperlinks for the readers' reference.

7. This Report is for reference only. The research and comments in this Report are only for reference and are not necessarily exhaustive or completely accurate.

8. This Report is open-ended. Readers are welcome to make comments and suggestions to help us render it more thorough and accurate.

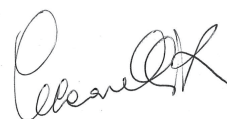
9. All the information, materials, and data in this Report are valid until August 31, 2018.

Preface

It is on the 4th of September 2015 that China ratified the WTO Trade Facilitation Agreement – a ground breaking agreement that promises to streamline and significantly reduce the “red tape” and bureaucratic procedures that slow and impede international trade, thereby reducing the time and cost of doing business across borders. It is well known, that implementation of the large trade facilitation agenda can contribute to improving the ways in which the government revenues are collected, as well as to bettering conditions for foreign investors, thereby reinforcing national competitiveness.

Implementing this Agreement demands strong political support and full commitment of the trade community. In light of this, the Trade Facilitation Annual Report of China, prepared by Re-code Trade Security and Facilitation Research Centre, is very timely and provides clear guidance and action oriented recommendations. The results of this report are expected to enable investors, traders and other stakeholders to better understand and monitor progress in trade facilitation, support evidence-based decision-making, identify challenges and opportunities, and capacity building and technical assistance needs.

I hope this report will help China and its partners to advance trade facilitation agenda to the advantage of the government, businesses, cross-border traders, producers and consumers, to enhance regional and global integration and to ultimately better achieve the Sustainable Development Goals of the United Nations Agenda 2030.



Maria Rosaria Ceccarelli
Chief, Trade Facilitation Section
Economic Cooperation and Trade Division
United Nations Economic Commission for Europe

Preface

It's my pleasure to write this brief article on this important work, the Trade Facilitation Annual Report of China. I believe the report completed by Beijing Re-code Trade Security and Facilitation Research Center (Re-code) would be helpful for China to improve its trade conditions. Meanwhile, the report, which is bilingual, in both Chinese and English, could also provide researchers and traders from other countries with valuable references.

Trade facilitation is a critical issue for the economic health and sustainable global trade. The World Trade Organization's Trade Facilitation Agreement (WTO TFA), which was concluded at the 2013 Bali Ministerial Conference and entered into force on 22 February 2017, is regarded as a landmark achievement and clearly expected to produce greater opportunities all around the world. Economists estimate that the full implementation of the agreement could reduce trade costs by an average of 14.3% and help boost global trade by up to 1 trillion USD per year, with the biggest gains being realized in the poorest countries.

The World Customs Organization (WCO) was created in 1952, for the foundational purpose of coordinating customs operations and, in essence, bring about trade facilitation. Over the years, the WCO has undertaken many efforts to bring about standardization and harmonization of customs procedures and developed many tools for governments and relevant stakeholders to simplify, modernize, and harmonize the export and import processes. Some of them, such as the Revised Kyoto Convention, the Harmonized System Convention, the SAFE Framework of Standards and the Single Window Compendium, which have been accepted by large numbers of the WCO members including China, and their implementation, has already reaped a wide array of benefits for the global economy and for traders.

China remains a mystery to many around the world. The biggest contributor towards trade facilitation is transparency. It engenders trust and predictability. I think that in this report, Re-code has made great efforts in studying the related documents and tools and collecting data. In this book, it offers not only detailed reviews on China's trade facilitation process on in relation to the WTO TFA, but also presents us with a quantitative analysis about the country's trade conditions based on a measurement system, which has been designed by revising the OECD Trade Facilitation Indicators(TFIs).

As the world's second largest economy and the largest trading nation, China definitely plays a vital role in the global trade. We hope this report will be noticed by more people and thereby contribute to the country's trade facilitation. We applaud Re-codes work in studying the trade security and facilitation, and hope they continue their great efforts in the near future.

Ana B. Hinojosa

Director Of Compliance and Facilitation, World Customs Organization

Foreword

Trade Facilitation Annual Report of China, which takes an objective and impartial attitude, has been positively evaluated by the business circle at home and abroad, as well as relevant institutions since its first publication in 2016. We are greatly inspired and make up our minds to continue the compilation of the report on a yearly basis as planned, and endeavor to improve the quality of the report.

Drawing on the international experience, we change the nomenclature of the annual report based on the years of data coverage. Instead and launch the 2019 edition after the 2016 and 2017 editions by taking the year of reporting guidance as the benchmark. A Summary is supplemented to provide a quick view of the entire contents. Moreover, significant initiatives and major events of the Chinese government in promoting trade facilitation are introduced, helping the outside world to fully understand the trade facilitation in China.

On the occasion of the publication of the new annual report edition, I would like to extend my heartfelt thanks and deep gratitude to Mrs. Ana B. Hinojosa, Director of Compliance and Facilitation at the World Customs Organization, and Mrs. Maria Rosaria Ceccarelli, Chief of the Trade Facilitation Section at the Economic Cooperation and Trade Division of the United Nations Economic Commission for Europe (UNECE), for their generous offer of prefaces to this edition. I would also like to express my gratitude and thanks to Mrs. Maria Teresa Pisani and Dr. Andrew Grainger, at the UNECE for their kindly concern and advice on the report. Meanwhile, my sincere thanks go to the following companies for their contribution to the report: Cainiao Network Technology Co., Ltd., Shenzhen Tai Zhou Technology Co., Ltd., Amber Road China Ltd., Cummins (China) Investment Co., Ltd., Shenzhen Mbase Consultants Co., Ltd., Shanghai Xingya Customs Brokers Co., Ltd., Kunshan Su-Soft Technology Co., Ltd., Huize Shangtong (Beijing) Technology Co., Ltd., Shanghai Xinhai Customs Brokerage Co., Ltd., Jiangsu Hongkun Supply Chain Management Co., Ltd. and Intel China Ltd.

In particular, I would like to express my sincere appreciation to the editing team for their dedication to improve the quality of the report.

Any well-intentioned and constructive criticism and suggestions will be accepted with an open mind. Professionals are sincerely welcomed to participate in the project by ways of internet or Wechat. The website for online evaluation: <http://www.re-code.org/>. Wechat: jiangxp1234.



Director, Beijing Re-code Trade Security and Facilitation Research Centre

Summary

This is the third edition of the Trade Facilitation Annual Report for China, and the second edition of the officially published report. Compared with the previous edition, the current edition has undergone four changes in terms of the compiling style:

I. Referring to the international nomenclature of annual reports, and taking the year of reporting guidance as the benchmark, we will launch the 2019 edition after the 2016 and 2017 editions.

II. In line with the Chinese government's initiative to assign the entry-exit inspection, quarantine administration duties, personnel to General Administration of Customs, "Customs" as well as "Inspection and Quarantine" will no longer be classified and evaluated separately in the evaluation section.

III. In order to ensure the quality of the publication, the cut-off time of the data coverage interval is the end of August.

IV. The printed reports "relevant links" section will no longer be provided and the electronic version of the Report will be available on the official website of the Beijing Trade Security and Facilitation Research Center.

From 2017 to 2018, major issues in the field of trade facilitation in China included the following:

1. Integration of customs and entry-exit inspection and quarantine. The former entry-exit inspection and quarantine administration duties and personnel of General Administration of Quality Supervision, Inspection and Quarantine assigned to General Administration of Customs. Since April 20th, 2018, the former entry-exit inspection and quarantine inspection organs have been working under the guidance of Customs. Although it will take time for the two agencies to fully integrate their original customs clearance procedures and system applications, it is foreseeable that the reorganization will have a positive impact on improving the unity, coordination and convenience of border law enforcement.

2. Single Window: By the end of 2017, the standard version of the "China International Trade Single Window" has achieved systematic cooperation among 11 ministries and commissions, and has been implemented nationwide. With the expansion of the application function and the improvement of the performance of the standard version of the "single window", the customs clearance efficiency of cross-border trade goods will be continuously improved.

3. Advance ruling: General Administration of Customs has issued and effectively implemented the new advance ruling system.

Re-code has made a series of reasonable revisions to the "Trade Facilitation Index" of the Organization for Economic Cooperation and Development (OECD). On this basis, a new evaluation method has been formed and put into practice to quantitatively evaluate China's trade facilitation process in 11 areas.

China's trade facilitation level has improved to a certain extent in the past year, with the overall score of trade facilitation index rising from 73 points last year to 76 points this year. The advance ruling system has achieved the most prominent improvement in scoring, increasing from 67 points to 76 points. The scoring of the "clearance process" increased from 77.5 points to 83.5 points. Seven indexes that were formerly at a good performance level, including disclosure of information, appeal procedures, charges, fees, forms, documents, automation, cooperation between internal border agencies, management, fairness, and the two indexes formerly at the moderate performance level, including participation by traders and cooperation between external border agencies, have not changed significantly.

General conclusions and suggestions:

1. Information disclosure: As an important measure of trade facilitation, information disclosure includes the scope, channels, means and language of the information disclosed. Its purpose is to provide clear compliance guidance for traders, increase the predictability of overall trading behavior and facilitate access to consulting services in the case of having questions about policies, laws and regulations. Since China's entry into the World Trade Organization (WTO) 17 years ago, China Customs has made remarkable progress in information disclosure, with expanding scope of disclosure, improved timeliness, increased distribution channels, and an increasingly wide audience. While making a positive evaluation, the business community still expects China Customs to further expand the scope of information disclosure by including the number, maintenance rate and change rate of customs administrative reconsideration and administrative litigation cases. This also includes the annual summary of customs administrative penalties, important work deployments and annual work reports also providing the English reference texts of laws, rules and regulations. Integrating the information disclosed by the former two agencies after the integration of the customs helps the entry-exit inspection and quarantine agencies and further improves the level of 12360 consulting services solving the actual customs clearance problems.

2. Business participation: The Agreement on Trade Facilitation requires members to provide abundant opportunities for business to participate in the process of changing laws, rules and regulations in order to enhance the rationality of policies and regulations. China Customs has formulated corresponding systems, but has not adequately implemented them. In the past year,

surveys, arguments and hearings have not been adequately carried out in the process of drafting, formulating and designing regulations and the application of the customs application system. The unreasonable system elements and or designs have caused trouble for the business community.

3. Advance ruling: the advance ruling system is an effective measure for customs to help import and export enterprises solve complex technical problems such as commodity classification, price determination and origin determination. China Customs previously formulated corresponding systems, but they were not effectively implemented. At the end of last year, a new advance ruling norm was promulgated and arrangements were made for the professional human resources needed for the implementation of the system. The overall implementation is in good condition. The business community gave it a positive evaluation, and looked forward to further improvement in the release of the advance ruling decision.

4. Administrative relief: In Article 4 of Agreement on Trade Facilitation, relevant provisions on administrative relief are made to ensure that enterprises engaged in the import and export business can be treated justly and fairly. China Customs has established a comprehensive administrative relief system under the general legal framework at the national level. However, establishing a system is not equal to the full implementation of the system. In terms of both administrative reconsideration and administrative litigation, the concept is deeply rooted in China's customs circles that "we cannot lose the lawsuit". Consequently, local customs often force enterprises to give up their legitimate right to administrative relief by persuading and suppressing the persons concerned and even directly expressing dissatisfaction.

5. Inspection and quarantine: The Agreement on Trade Facilitation requires each member to set corresponding normative requirements for the management of cross-border trade goods involving inspection and quarantine. These include timely issuance and cancellation of new administrative measures, timely notification of detention and formalities, and providing the opportunity for the second inspection in case of an unfavorable conclusion of the first inspection. This provision has been well implemented by China Customs.

6. Administrative charges: In order to continuously reduce the cost of cross-border trade customs clearance and facilitate enterprises' cost accounting, the Agreement on Trade Facilitation regulates the administrative charges applied to each member. In this aspect, China Customs has performed well. In the past few years, the original items to be charged have been cancelled or the charging standards have been reduced. The business community expects China Customs to further regulate the related charges for original inspection, quarantine, commodity quality inspection and issuing of certificate of origin.

7. Release and clearance of goods: The Agreement on Trade Facilitation regulates pre-

arrival processing, electronic payment, separation of tax collection, release of goods, risk management, post-clearance auditing, the AEO system, customs clearance for express items and perishable goods. Overall China Customs has made remarkable achievements in promoting the implementation of a declaration in advance, release after guarantees and insurance guarantees. At the same time, the business community strongly expects the customs to reduce the mandatory implementation of facilitation measures, increase the options for the business community, and avoid the establishment of internal customs assessment indicators, resulting in the deprivation of rights granted to enterprises by law.

8. Cooperation between border agencies: The Agreement on Trade Facilitation requires members to continuously strengthen coordination and cooperation within and among members, between members and border management agencies in order to achieve the goals of trade security and trade facilitation. The Chinese government has assigned the entry-exit inspection, quarantine and commodity quality administration duties of the former General Administration of Quality Supervision Inspection and Quarantine to China Customs, which fundamentally solves the problem of mutual coordination and cooperation arising from the coexistence of the two agencies. It is generally considered as an important measure to promote China's trade facilitation. As the comprehensive integration of institutions and systems takes time, the positive effect of restructuring is yet to be demonstrated. In terms of international cooperation among border agencies, the scope of mutual recognition of AEO in China Customs has gradually expanded, and higher-level cooperation with border agencies outside China is also being explored.

9. Movement of import goods: The Agreement on Trade Facilitation requires members to allow enterprises to facilitate the movement of goods under customs control within the territory of China. This system is generally referred to as "transit transportation". China Customs previously had a relatively complete system of transit transportation. At the end of 2017, with the full implementation of customs clearance integration, China Customs issued a public announcement, which imposed a series of restrictive measures on transit transportation. The restrictive measures mentioned above have obvious adverse effects on enterprises. It is strongly suggested that China Customs should make reasonable adjustments once again to this area.

10. Simplification of customs procedures: The Agreement on Trade Facilitation sets out requirements for members to simplify customs procedures, shorten customs clearance time, and reduce the number of requirements for customs clearance documents. China Customs has continued to promote the reform of the customs clearance system and has made remarkable achievements. The business community expects that the platform function of the single window will be further expanded so that many different enterprises at various ports can implement and

complete all customs clearance operations on the same platform.

11. Freedom of transit: The Agreement on Trade Facilitation requires members to facilitate transit goods. This provision has been well implemented by China Customs.

12. National Trade Facilitation Committee: It's stipulated in Paragraph 2 of Article 23 of the Agreement on Trade Facilitation that each member should establish a National Trade Facilitation Committee to facilitate the implementation of the provisions of the Agreement on Trade Facilitation. China has set up the National Trade Facilitation Committee which has not made public information of specific plans for promoting trade facilitation and their implementation.

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术语表 Glossary

中国海关	China Customs
海关总署	General Administration of China Customs (GACC)
检验检疫	Inspection and Quarantine
原国家质量监督检验检疫总局 / 质检总局	former General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ)
商务部	Ministry of Commerce
财政部	Ministry of Finance
国家发改委	National Development and Reform Commission
经认证的经营者	Authorized Economic Operator (AEO)
AEO 互认	AEO Mutual Recognition
申报	Declaration
归类	Classification
估价	Valuation
担保	Guarantee
行政复议	Administrative Review
行政裁定	Administrative Ruling
预裁定	Advance Ruling
预审价	Advance Price Review
预归类	Advance Classification
原产地预确定	Advance Determination of Place of Origin
单一窗口	Single Window (SW)
三互	Three Mutual
全国通关一体化改革	National Customs Clearance Integration Reform
进境维修	Inward Maintenance
出境加工	Outward Processing
互联网 + 海关	Internet + Customs
卫生和植物检疫	Sanitary and Phytosanitary (SPS)
动植物检疫	Quarantine of Animals and Plants
卫生检疫	Health Quarantine
技术性贸易壁垒	Technical Barriers to Trade (TBT)
《国际公路运输公约》	Transports Internationaux Routiers (TIR)
自由贸易协定	Free Trade Agreement (FTA)
自由贸易试验区	Pilot Free Trade Zone

Review According to TFA Text

The Links of the regulations, policies, and information sources mentioned in this section are published
in the “Report” column on the Re-code official website:
<https://www.re-code.org/article/753?categoryid=46>



ARTICLE 1: PUBLICATION AND AVAILABILITY OF INFORMATION

Laws and Regulations

In December 2001, China officially became a member of World Trade Organization.

Since then, the Chinese government has attached great importance to the disclosure of government information.

In 2007, the State Council promulgated Regulations of the People's Republic of China on Government Information Disclosure (Link 1.1). In the following 9 years, the State Council issued 12 notices or opinions on the disclosure of government information via its General Office (Link 1.2), making substantial progress in disclosing government information including that of administration of cross-border trade.

According to Regulations of the People's Republic of China on Government Information Disclosure, General Administration of Customs of the People's Republic of China ("GACC") formulated and implemented Measures of the People's Republic of China on Customs Government Information Disclosure. (Link 1.3)

Former General Administration of Quality Supervision, Inspection and Quarantine ("former AQSIQ") formulated and implemented Guide of AQSIQ on Government Information Disclosure. (Link 1.4)

On May 9, 2016, the State Council convened a national teleconference on promoting the reform to streamline administration, delegate more powers, improve regulation and provide better services. Premier Li Keqiang stressed at the conference that we must make greater efforts to promote government information disclosure in order to achieve substantial results in streamlining administration and delegating more powers and made specific requirements: to speed up the formulation and publicity of the list; to promote government information disclosure in an all-round way; to open up the "information

island”; to disclose the information of handling sensitive emergency events in a timely manner. (Link 1.5)

In December, the former AQSIQ issued the Notice of the General Office of AQSIQ on the Publication of Basic Catalogues of Disclosed Government Affairs (General Office of AQSIQ [2017] No. 1544). (Link 1.6)

In August 2016, GACC updated the Guide of GACC on Government Information Disclosure. After the entry-exit inspection and quarantine administration responsibilities and personnel were integrated into GACC in April 2018, GACC once again updated the Guide and made it clear that government information disclosure applications involving entry-exit inspection and quarantine duties could be submitted to GACC. Although GACC has not yet made it clear, it is expected that it will abolish or amend the Guide of AQSIQ on Government Information Disclosure. (Link 1.7)

Implementation

Relevant government departments not only disclose information through traditional media including books, newspapers, magazines, and television and new media including the Internet and mobile apps, but also offer consultation to the public via hotlines and online platforms and provide information on public applications.

In July 2017, the updated China Customs Portal website went live. The new column “Internet + Customs” provides comprehensive customs information and services. (Link 1.8)

In the sub-column “Government Information Disclosure” under the column “Information Disclosure” on China Customs Portal website, information including the customs government information disclosure list, annual report on government information disclosure of GACC and all its directly subordinate customs, key work points of customs government information disclosure, disclosure form by application is displayed in detail. (Link 1.9, 1.10, 1.11 and 1.12)

Since the integration of the entry-exit inspection and quarantine administration responsibilities and personnel into GACC, the access to the website of the former AQSIQ has been retained on the website of State

Administration for Market Regulation and China Customs has begun to publish information related to entry-exit inspection and quarantine, mainly new laws and regulations issued after April 2018 and some previously issued laws and regulations on its portal website. (Link 1.13, 1.14 and 1.15) After integration into GACC, entry-exit inspection and quarantine administration departments have still conducted relevant work. It remains to be seen how China Customs can effectively integrate the relevant government information disclosure channels of the former customs and former entry-exit inspection and quarantine administration departments of AQSIQ. Meanwhile, businesses still hold higher expectations for the publication and availability of information on cross-border trade.

General Comment

There has been substantial progress and the implementation is relatively adequate. After the integration of the entry-exit inspection and quarantine administration responsibilities and personnel into GACC, relevant services remain to be further integrated.

1 Publication

1.1 Each Member shall promptly publish the following information in a non-discriminatory and easily accessible manner in order to enable governments, traders, and other interested parties to become acquainted with them:

(a) procedures for importation, exportation, and transit (including port, airport, and other entry-point procedures), and required forms and documents;

Implementation

In "Online Service" on its website, the GACC provides "Administrative Licensing", "Business Services", "Individual Services", "Public Servants", "Download Center", "Work Guide", "Service Guide", "Information Inquiry", "Online Books" and other information services, meeting most of the information needs of customs clearance. In "Download Center", forms

and documents required for customs clearance are posted. (Links 1.16)

In "Special Services", the GACC provides "scene service of customs clearance for inbound and outbound passengers", "online processing platform for customs administrative examination and approval", "Internet + Customs", "overseas customs clearance guidelines" and other information services. In 2018, accesses to entry-exit inspection and quarantine service systems, such as animal and plant quarantine license, management of foreign suppliers of imported wastes, health and quarantine examination and approval of entry-exit special articles, have been added. (Link 1.17)

In terms of processes for importation, exportation, and transit, no concise procedure guides, forms, or documents have ever been posted.

Nanjing Customs published on its website a flow chart of procedures of importation and exportation by sea and air. (Links 1.18, 1.19 and 1.20)

On April 16, 2018, GACC issued Notice No. 28 of 2018 on Matters Relating to the Integration of Qualifications for Enterprise Customs Declaration and Inspection Application to optimize and integrate enterprises' qualifications for customs declaration and inspection application. On June 21, 2018, GACC issued Announcement No. 60 of 2018 on Amendment of the Code for Filling Customs Declaration Forms for Imported and Exported Goods of the People's Republic of China and Announcement No. 61 of 2018 on Modifying the Format of Customs Declaration Forms for Imported and Exported Goods and Filing List of Entry-Exit Goods to modify the customs declaration form of imported and exported goods and the filing list of entry-exit goods. In Announcement No. 61 the sample customs declaration form of imported and exported goods and filing list of entry-exit goods are provided. (Link 1.21)

Procedures for importation, exportation, and transit (including port, airport, and other entry-point procedures), and required forms and documents are not found on the portal website of former AQSIQ. Textual information includes the Notice of AQSIQ on the Issue of Regulations on the Administration of Entry-Exit Inspection and Quarantine Procedures (Notice of AQSIQ No. 437 [2017]) and the Announcement of AQSIQ on Simplifying the Inspection and Quarantine Procedures and Improving

the Efficiency of Customs Clearance (Announcement of AQSIQ No. 89 [2017]). On its government information disclosure site and the sub-sites of its departments, the former AQSIQ posted the detailed import and export inspection and entry-exit quarantine procedures (commodity inspection, animal and plant quarantine and health quarantine and AQSIQ). (Link 1.22) On May 29, 2018, GACC issued the Announcement No. 50 of 2018 on the Complete Cancellation of Matters Relating to the Customs Clearance Form of Entry/Exit Goods to completely cancel the Customs Clearance Form of Entry/Exit Goods and modify the relevant working procedures. (Link 1.23)

General Comment

The information is diverse, but not well-organized and there is still room for improvement. The contents of entry and exit inspection and quarantine need to be integrated into China Customs portal website.

Recommendations

China Customs should classify import and export goods under different administration systems applied according to means of trade or transportation, types of products, etc. and provide detailed, intuitive and instructive procedures and the required forms and documents for businesses.

(b) applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation;

Implementation

The Chinese government adjusts rates of duties and taxes on Import and Export Goods once a year. The adjusted Import and Export Tariff of the People's Republic of China ("IET") is published by China Customs Press, China Commerce and Trade Press, the Economic Daily Press, China Financial and Economic Publishing House, etc. (Link 1.24)

This publication on tariff has two defects: 1. it is paper-based and users have to pay; 2. it is updated once a year and therefore importers and exporters need to follow adjustments to rates of duties and taxes and provisional

measures for duties through other media before the update is completed.

"Online Search" under "Online Service" on GACC's website provides "Tariff and Tariff Code Search", "Tariff Goods and Item Annotation Search", "China's Subheading Annotation Search", "Classification Decision Search", "Key Commodities Search", "Import and Export Commodity Tariff Rate Search"; users may search for "Tariff Rate" by the tariff code and commodity name under "Internet + Customs". (Link 1.25)

The Catalogue of Import-Export Commodities Subject to Inspection and Quarantine by Entry-Exit Inspection and Quarantine Organs should be updated once a year (usually at the beginning of the year). If the national policy is adjusted, it will be updated in the mid-year. The inspection and quarantine categories such as M/N, R/S, P/Q, V/W, L and customs supervision conditions such as A/B and D should also be updated accordingly. (Link 1.26)

General Comment

The implementation is relatively adequate but there is still room for improvement.

Recommendations

1. IET is a national regulation and should be published on the websites of GACC and Ministry of Finance;
2. As rate adjustments and provisional or regional measures for tariff are promulgated and implemented, they should also be updated in IET for the sake of importers and exporters.

(c) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;

Implementation

Customs of China has canceled all administrative charges. (Link 1.27)

Former AQSIQ published on its portal website a detailed list of charges. (Link 1.28)

According to the Notice of the Ministry of Finance and National Development and Reform Commission on Cleaning up and Standardizing a Batch of Policies on Administrative Charges (Notice of the Ministry of Finance No. 20 [2017]), as of April 1, 2017, the collection of entry-exit inspection and quarantine fees will be stopped. No administrative fees for inspection and quarantine will be collected. (Link 1.29)

General Comment

The implementation is adequate.

At present, in the import and export process, customs and inspection and quarantine departments have canceled the collection of all administrative charges. The fees collected in the entry-exit process are mainly operating service charges for handling customs, inspection and quarantine procedures.

(d) rules for the classification or valuation of products for customs purposes;

Implementation

The customs has disclosed the following information to the public:

Commodity Classification:

Decree of GACC No. 158 Rules of GACC on Commodity Classification of Import and Export Goods (Link 1.30);

Announcement of GACC No.49 [2009] Issues on Additional Declaration of Import and Export Goods (Link 1.31);

GACC decides on classification of some products and publishes its decisions and administrative ruling as announcements;

Users may access the search for commodity classification at "Decisions and Rulings on Classification" under "Online Service" on GACC's website (Link 1.32).

In June 2018, GACC decided to promote the implementation of paperless submission of goods classification data nationwide. (Link 1.33)

In addition, the Customs Duties Department of GACC and Tianjin Branch of China Customs Imported and Exported Goods Classification Center have

jointly developed “China Customs Classification and Testing” mobile phone APP through which the information of commodity classification, tariff and tariff code, classification decision, classification ruling and testing status can be searched online.

Valuation:

Decree of GACC No. 213 Measures of the People's Republic of China on Reviewing and Determining Customs Value of Import and Export Goods (Link 1.34);

Decree of GACC No. 211 Measures of the People's Republic of China on Reviewing and Determining Customs Value of Bonded Goods Intended for Sale in the Domestic Market (Link 1.35).

General Comment

GACC's disclosure of rules for the classification and valuation of commodities is transparent. The implementation is adequate. In recent years, services have been continuously optimized and significant progress has been made (Link 1.36).

Recommendations

The legally binding or instructive rulings, decisions, and guides, on commodity classification issued by GACC and customs directly subordinate to GACC should be gathered, systematized, classified and published promptly via a separate column. GACC should enable importers and exporters to pinpoint a tariff using the function "Search for Tariff Rate" under "Online Service" on its website.

(e) laws, regulations, and administrative rulings of general application relating to rules of origin;

Implementation

The State Council promulgated Regulations of People's Republic of China on the Place of Origin of Import and Export Goods; GACC and former AQSIQ published rules about preferential places of origin on their websites.

(Links 1.37 and 1.38)

The China Inspection and Quarantine Service website of the former AQSIQ has set up a special “origin business” channel through which detailed information such as the type, style, filling, application and inquiry of certificate of origin is published. The website is characterized by clear structure and practical functions, but unfortunately the contents are only updated till March 2014 and some of the key contents are updated till 2010. (Link 1.39)

General Comment

The laws and regulations of China Customs on rules of origin are open and transparent.

<i>Category</i>	<i>Doc</i>	<i>Link</i>
Certificate of Origin	Decree of the State Council of the People's Republic of China, No. 416: Regulations of the People's Republic of China on the Place of Origin of Import and Export Goods	http://www.customs.gov.cn/publish/portal0/tab399/info3579.htm
	Regulations on Substantial Transformation in Rules of Non-preferential Origin	http://www.aqsiq.gov.cn/xxgk_13386/jgfl/tgyws/200701/t20070105_23785.htm
	AQSIQ Decree No.114: Measures of the People's Republic of China on Signing of Certificate of Non-preferential Origin	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjl/20092010/201210/t20121015_235242.htm
Generalized System of Preferences	Notice of State Administration of Import and Export Commodities Inspection, No. 72, 1996: SACI Notice of Issuing the Implementation of Measures on Signing of Certificate of Non-manipulation (Trail)	http://www.cqn.com.cn/news/zjpd/jcgy/77692.html
	Regulations of the People's Republic of China on Signing of Generalized System of Preferences Certificate of Origin	http://www.ccic.com/web/static/articles/catalog_ff8080812c3019e0012cc47e550e02d8/2010-12-16/article_ff8080812c3019e0012cdd5ba1920421/ff8080812c3019e0012cdd5ba1920421.html
	Notice of State Administration of Import and Export Commodities Inspection, No. 317, 1990: SACI Notice of Issuing Rules of the People's Republic of China for the Implementation of Regulations on Signing of Generalized System of Preferences Certificate of Origin	http://www.chinaport.gov.cn/zcfg/zjl/zhywfg/zhyw/7017.htm

<i>Category</i>	<i>Doc</i>	<i>Link</i>
Generalized System of Preferences	Notice of State Administration of Import and Export Commodities Inspection, No. 248, 1993: SACI Notice of Issuing "Advices on Enhancing Survey on Signing of Generalized System of Preferences Certificate of Origin" and "Regulations on Qualification of Signing Officers of Certificate of Origin (Trail)"	http://www.aqsiq.gov.cn/xxgk_13386/xxgkzftl/zcfg/201210/t20121016_241717.htm
Origin Mark	Notice of State Administration of Import and Export Commodities Inspection, No. 51, 2001: SACI Notice of Issuing "Regulations on Origin Mark" and "Rules for the Implementation of Regulations on Origin Mark"	http://www.mofcom.gov.cn/article/bh/200301/20030100063308.shtml
Kimberley Certificate	Joint Announcement No. 132, 2002: Joint Announcement on Kimberley Process Certificate Scheme	http://www.aqsiq.gov.cn/xxgk_13386/xxgkzftl/zcfg/201210/t20121016_250854.htm
FTA	Joint Announcement No.81, 2003: GACC, MOFCOM and AQSIQ Joint Announcement on Issuing Rules of Origin for the China-ASEAN Free Trade Area	http://www.customs.gov.cn/publish/portal0/tab399/info8535.htm
	Notice of Implementing Signing of Certificate of Origin Form E under Agreement on Commodity Trade for the China-ASEAN Free Trade Area	http://www.aqsiq.gov.cn/xxgk_13386/xxgkzftl/zcfg/201210/t20121016_250862.htm
	Joint Announcement No.32, 2005: GACC, MOFCOM and AQSIQ Joint Announcement on Issuing Specific Origin Standards for Goods under Rules of Origin of the China-ASEAN Free Trade Area (1st Part)	http://www.aqsiq.gov.cn/xxgk_13386/xxgkzftl/zcfg/201210/t20121016_250852.htm
	Notice of Issuing Certificate of Origin of China-Pakistan Free Trade Area	http://www.aqsiq.gov.cn/xxgk_13386/xxgkzftl/zcfg/201210/t20121016_250865.htm
	Joint Announcement No.66, 2005: GACC and AQSIQ Joint Announcement on Implementing the Early Harvest Program of China-Pakistan Free Trade Area	http://www.customs.gov.cn/publish/portal0/tab399/info16616.htm
	Joint Announcement No.67, 2005: GACC and AQSIQ Joint Announcement on Issuing Rules of Origin of China-Pakistan Free Trade Area	http://www.customs.gov.cn/publish/portal0/tab399/info16620.htm
	Notice of Issuing Certificate of Origin Form F of China-Chile Free Trade Area	http://www.aqsiq.gov.cn/xxgk_13386/jgfl/tgyws/200610/t20061025_2722.htm
	Notification Letter of State Administration of Import and Export Commodities Inspection, No. 654 ,2008: Announcement on Related Issues of Signing of Preferential Certificates of Origin of China-New Zealand Free Trade Area	http://www.aqsiq.gov.cn/jgfl/tgyws/zcfg/201210/t20121016_250867.htm

<i>Category</i>	<i>Doc</i>	<i>Link</i>
FTA	AQSIQ Announcement No.139 ,2008: Announcement on Signing of Preferential Certificates of Origin of China-Singapore Free Trade Area	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2008/200901/t20090105_238205.htm
	Joint Announcement No.100, 2008: GACC, MOFCOM and AQSIQ Joint Announcement on Issuing Rules of Origin of the China-Singapore Free Trade Area	http://www.customs.gov.cn/publish/portal0/tab514/info155983.htm
	Notification Letter of State Administration of Import and Export Commodities Inspection, No. 604, 2008: Announcement on Related Issues of Signing of Preferential Certificates of Origin for China-Singapore Free Trade Area	http://www.foodmate.net/law/qita/186927.html
	Notification Letter of State Administration of Import and Export Commodities Inspection, No. 90, 2010: Announcement on Related Issues of Signing of Preferential Certificates of Origin of China-Peru Free Trade Area	http://www.foodmate.net/law/qita/186927.html
	AQSIQ Announcement No.72, 2014: Announcement on Edition-changing of Specific Rules of Origin for Commodities under China-ASEAN Free Trade Agreement and China-Singapore Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/tzdt/zztz/201003/t20100301_241126.htm
	AQSIQ Announcement No.60, 2014: Announcement on Cross-references after Edition-changing of Specific Rules of Origin for Commodities under China-New Zealand Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2014/201405/t20140528_413659.htm
	AQSIQ Announcement No.56, 2014: Announcement on Application Acceptance and Signing of Certificate of Origin under China-Iceland Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2014/201405/t20140529_413802.htm
	AQSIQ Announcement No.54, 2014: Announcement on Application Acceptance and Signing of Certificate of Origin under China-Switzerland Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2014/201405/t20140514_412472.htm
	AQSIQ Announcement No.147, 2015: Announcement on Application Acceptance and Signing of Certificate of Origin under China-Australia Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2015/201512/t20151211_456282.htm
	AQSIQ Announcement No.146, 2015: Announcement on Application Acceptance and Signing of Certificate of Origin under China-Korea Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/jlgg_12538/zjgg/2015/201512/t20151211_456287.htm

<i>Category</i>	<i>Doc</i>	<i>Link</i>
FTA	Announcement on Manipulation Procedure for Signing of Certificate of Origin under China-ASEAN Free Trade Agreement	http://www.aqsiq.gov.cn/xxgk_13386/tzdt/zztz/201012/t20101231_241123.htm
	GACC Announcement No. 77, 2016: Announcement on Issuing the Criteria for Place of Origin of Goods Entitled to Zero Tariffs in Hong Kong and Macau and Related Matters As of January 1, 2017	http://www.customs.gov.cn/customs/302249/302266/302267/630746/index.html
	GACC Announcement No. 84, 2016: Announcement on Matters Relating to Going Live and Operation of Origin Electronic Information Exchange System under China-New Zealand Free Trade Agreement	http://www.customs.gov.cn/customs/302249/302266/302267/630753/index.html
	GACC Announcement No. 85, 2016: Announcement on Simplifying the Requirements for Submission of Certificate of Origin under the China-South Korea Free Trade Agreement	http://www.customs.gov.cn/customs/302249/302266/302267/630755/index.html
	GACC Announcement No. 10, 2017: Announcement on Going Live and Operation of China-ROK Origin Electronic Information Exchange System under the Asia-Pacific Trade Agreement	http://www.customs.gov.cn/customs/302249/302266/302267/630774/index.html
	GACC Announcement No. 22, 2017: Announcement on Issuing the Criteria for Place of Origin of Goods Entitled to Zero Tariffs in Hong Kong and Macau and Related Matters As of July 1, 2017	http://www.customs.gov.cn/customs/302249/302266/302267/630792/index.html
	GACC Announcement No. 26, 2017: Announcement on Further Simplifying the Management Requirements for Origin of Goods Transited through Hong Kong and Macao	http://www.customs.gov.cn/customs/302249/302266/302267/711028/index.html
	GACC Announcement No. 35, 2017: Announcement on Publishing Administrative Rulings of Origins in 2017 (I)	http://www.customs.gov.cn/customs/302249/302266/302267/717299/index.html
	GACC Announcement No. 59, 2017: Announcement on Issuing the Criteria for Place of Origin of Goods Entitled to Zero Tariffs in Hong Kong and Macau and Related Matters As of January 1, 2018	http://www.customs.gov.cn/customs/302249/302266/302267/759084/index.html
	GACC Announcement No. 61, 2017: Announcement on the Publication of the Measures for the Administration of Origin of Imported and Exported Goods under China Customs Free Trade Agreement between the Government of the People's Republic of China and the Government of Georgia	http://www.customs.gov.cn/customs/302249/302266/302267/799794/index.html

<i>Category</i>	<i>Doc</i>	<i>Link</i>
FTA	GACC Announcement No. 6, 2018: Announcement on Matters Relating to Statements of Origin under Partial Preferential Trade Arrangements	http://www.customs.gov.cn/customs/302249/302266/302267/1417014/index.html
	GACC Announcement No. 29, 2018: Announcement on Electronic Networking of Origin under China-Pakistan FTA	http://www.customs.gov.cn/customs/302249/302266/302267/1812170/index.html
	GACC Announcement No. 53, 2018: Announcement on Issuing the Criteria for Place of Origin of Goods Entitled to Zero Tariffs in Hong Kong and Macau and Related Matters As of July 1, 2018	http://www.customs.gov.cn/customs/302249/302266/302267/1904103/index.html
General	GACC Announcement No. 73, 2015: GACC and AQSIQ Announcement on Information-sharing Related to Certificate of Origin	http://www.customs.gov.cn/publish/portal0/tab49661/info783339.htm
General	Notice of State Administration of Import and Export Commodities Inspection, No. 227, 2000: SACI Notice of Issuing Regulations on Electronic Certificate of Origin	http://tgyws.aqsiq.gov.cn/jcgw/gfxwj/201502/P020150204539108312794.pdf
	GACC Announcement No. 53, 2016: Announcement on Matters Relating to Going Live and Operation of the Origin Management System in the Special Customs Supervision Area	http://www.customs.gov.cn/customs/302249/302266/302267/630719/index.html
Preferential Trade Arrangement	GACC Announcement No. 49, 2006: Announcement on Issues Relating to Conventional Tariff and Preferential Tariff Entitled by Imported Goods under the Asia-Pacific Trade Agreement)	http://www.customs.gov.cn/customs/302249/302266/302267/357402/index.html
	Measures of the People's Republic of Measures of China Customs for the Administration of Origin of Imported and Exported Goods under the Asia-Pacific Trade Agreement (Order No. 177 of GACC)	http://www.customs.gov.cn/customs/302249/302266/302267/356799/index.html
	GACC Announcement No. 65, 2018: (Announcement on the Implementation of Conventional Tariff Stipulated in the Second Amendment to the Asia-Pacific Trade Agreement)	http://www.customs.gov.cn/customs/302249/302266/302267/1906607/index.html
	GACC Announcement No. 69, 2018: (Announcement on the Promulgation and Amendment of the Rules of Origin under the Asia-Pacific Trade Agreement)	http://www.customs.gov.cn/customs/302249/302266/302267/1906565/index.html

<i>Category</i>	<i>Doc</i>	<i>Link</i>
Preferential Trade Arrangement	GACC Order No. 231: Order on the Promulgation of the Measures of China Customs for the Administration of the Origin of Imported Goods Entitled to Special Preferential Tariff Treatment for the Least Developed Countries	http://www.customs.gov.cn/customs/302249/302266/302267/630775/index.html
	GACC Announcement No. 69, 2018: Announcement on the Publication and Amendment of the Rules of Origin under the Asia-Pacific Trade Agreement	http://www.customs.gov.cn/customs/302249/302266/302267/1906565/index.html
	GACC Announcement No. 37, 2005: Announcement on the Implementation of Zero Tariff for 15 Kinds of Imported Fresh Fruits Originating in Taiwan	http://www.customs.gov.cn/customs/302249/302266/302267/356744/index.html
	GACC Announcement No. 85, 2011: Announcement on the Adjustment of the List of Tariff-free Imported Agricultural Products Originating in Taiwan	http://www.customs.gov.cn/customs/302249/302266/302267/630759/index.html

Preferential Rules of Origin (see the websites: <http://www.customs.gov.cn/customs/302249/302310/302319/302312/302313/index.html>, <http://fta.mofcom.gov.cn/>, http://www.ndrc.gov.cn/fzgggz/jjmy/zhd/201703/t20170315_840975.html).

Including:

<i>Category</i>	<i>Doc</i>
FTA	Framework Agreement on Comprehensive Economic Cooperation between China and ASEAN
	China-Chile Free Trade Agreement
	China-Pakistan Free Trade Agreement
	China-New Zealand Free Trade Agreement
	China-Singapore Free Trade Agreement
	China-Peru Free Trade Agreement
	China - Costa Rica Free Trade Agreement
	China-Iceland Free Trade Agreement
	China-Switzerland Free Trade Agreement
	China-Australia Free Trade Agreement
	China-Korea Free Trade Agreement

<i>Category</i>	<i>Doc</i>
FTA	Economic Cooperation Framework Agreement (ECFA)
	Mainland and Hong Kong and Macau Closer Economic Partnership Arrangement (CEPA)
	China-Georgia Free Trade Agreement
	China Maldives Free Trade Agreement
Preferential Trade Arrangement	Asia-Pacific Trade Agreement
	Zero Tariff Treatment for Some Agricultural Products from Taiwan
	Regulations of the Customs of the People's Republic of China on Rules of Origin for Import Goods under Special Preferential Tariff Program for Least-developed Countries

(f) import, export or transit restrictions or prohibitions;

Implementation

China Customs amends and publishes The Handbook of the Standardization of China Customs Clearance every year. The Handbook provides relatively inclusive and detailed lists of products on which China imposes import/export prohibitions and restrictions. The Handbook can be bought on amazon.cn, etc. (Link 1.40)

The section "Search by Clearance Parameters" on GACC's website provides importers and exporters a significant convenience on searching for import/export prohibitions and restrictions by commodity code. In 2018, "customs inspection integration query and download of some clearance parameters" function is added in this column. (Link 1.41)

Article 7 of Decree of GACC No.38 Measures of the People's Republic of China on Customs Supervision and Administration of Transit Goods stipulates specific transit prohibitions. (Link 1.42)

GACC published, "What goods have been included in catalogue of prohibited export goods" and other relevant guiding information with a comprehensive coverage on its website. (Link 1.43, 1.44, 1.45)

In 2018, relevant departments issued some new regulations, including:

the Ministry of Ecology and Environment, the Ministry of Commerce, the National Development and Reform Commission and GACC jointly issued Announcement No. 6 of 2018 on the Adjustment of the Catalogue of Imported Waste under Management; GACC and the Ministry of Ecology and Environment jointly issued Announcement No. 79 of 2018 on the Issuing of Limited Solid Waste Import Ports; the Ministry of Industry and Information Technology issued Announcement No. 15 of 2018 on the Publication of the Catalogue of Electrical and Electronic Products for Management of Meeting the Standard for Restricted Use of Hazardous Substances (First Batch) and the List of Exceptions to the Application of Substances Restricted for Use in the Standard Meeting Management Catalogue. (Link 1.46)

China Customs, the Ministry of Commerce and other relevant departments also publish relevant information of newly issued notices and announcements in a timely manner. There are many restrictions and prohibitions on import and export inspection and quarantine, which will be published in time on the portal websites of former AQSIQ and GACC. For example, the Ministry of Commerce, the Ministry of Industry and Information Technology, the State Administration of Defense, Science, Technology and Industry, SASTIND and GACC jointly issued Announcement No. 17 of 2018 on the Prohibition of the Export to the DPRK of Weapons of Mass Destruction and Dual-Use Items and Technologies and Dual-Use Conventional Weapons Related to Their Means of Delivery; GACC issued Announcement No. 55 of 2018 on Issue of the Prohibition List of Inspection and Quarantine for China International Import Expo 2018 and the List of Restriction of Inspection and Quarantine for China International Import Expo 2018. (Link 1.47)

General Comment

The implementation is adequate.

Recommendations

Considering various import/export prohibitions and restrictions, we recommend that competent authorities consolidate them into a single

catalog and publish the catalog on their websites. Competent authorities should endeavor to provide product codes for products that can be found whether prohibited or restricted by their codes.

(g) penalty provisions for breaches of import, export, or transit formalities;

Implementation

China Customs has formulated and promulgated complete penalties related to import and export or transit procedures. The basis for all the administrative punishment due to violation of import and export or transit procedure regulations imposed by the customs can be found in the disclosed government laws and regulations; laws, administrative regulations and departmental rules that have not be disclosed should not be used as the basis for administrative penalties posed on the import, export or transit procedures and behavior.

State:

On March 17, 1996, Law of the People's Republic of China on Administrative Penalty was promulgated through Decree of President of the People's Republic of China No. 63 of 1996. (Link 1.48)

On July 8, 2000, the Standing Committee of the National People's Congress revised the Customs Law of the People's Republic of China. (Link 1.49)

The Product Quality Law of the People's Republic of China, was promulgated through Decree of President of the People's Republic of China No. 71 on February 22, 1993 and was amended for the second time at the 10th Meeting of the Standing Committee of the Eleventh National People's Congress on 27 August 2009. (Link 1.50)

On June 29, 2013, Special Equipment Safety Law of the People's Republic of China was promulgated through Decree of President of the People's Republic of China No. 4. (Link 4)

On April 24, 2015, Food Safety Law of the People's Republic of China was promulgated through Decree of President of the People's Republic of China No. 21. (Link 1.51)

On February 21, 1989, the Law of the People's Republic of China on the Inspection of Imported and Exported Commodities was promulgated through Decree No. 14 of the President of the People's Republic of China, and was amended for the third time at the 2nd Meeting of the Standing Committee of the Thirteenth National People's Congress on April 27, 2018. (Link 1.52)

On October 30, 1991, the Law of the People's Republic of China on Entry and Exit Animal and Plant Quarantine was promulgated through Decree No. 53 of the President of the People's Republic of China. (Link 1.53)

On December 2, 1986, the Law on Frontier Health and Quarantine of the People's Republic of China was promulgated through Decree No. 46 of the President of the People's Republic of China, and was amended at the 31st Meeting of the Standing Committee of the 10th National People's Congress on December 29, 2007. (Link 1.54)

Customs:

Implementation Regulations of the People's Republic of China on Customs Administrative Penalty was promulgated through Decree of the State Council No. 420. (Link 1.55)

Procedures for the Handling of Administrative Penalty Cases by the Customs of the People's Republic of China was promulgated through Decree of GACC No. 159. (Link 1.56)

Procedures for the Handling of Simple Administrative Penalty Cases by the Customs of the People's Republic of China was promulgated through Decree of GACC No. 188. (Link 1.57)

Regulations on the Implementation of the Personal Detention by the Customs of the People's Republic of China was promulgated through Decree of GACC No. 144. (Link 1.59)

Implementation Regulations of the Law of the People's Republic of China on Import and Export Commodity Inspection was promulgated through Decree of the State Council No. 447 (Link 1.60);

Implementation Regulations of the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine was promulgated

through Decree of the State Council No. 206 (Link 1.61);
Implementation Rules of Law of Frontier Health and Quarantine of the People's Republic of China was promulgated through Decree of the Ministry of Health No. 2 of 1989 (Link 1.62);
Measures on Supervision and Administration of Inspection and Quarantine of Imported and Exported Dairy Products was promulgated by former AQSIQ on January 24, 2013 (Link 1.63);
Measures on Inspection, Supervision and Administration of Import Cotton was promulgated by former AQSIQ on January 18, 2013 (Link 1.64);
Regulations of the People's Republic of China on Certification and Accreditation was promulgated through Decree of the State Council No. 390 (Link 1.65).

General Comment

The implementation is adequate.

Recommendations

China Customs should specify and disclose the penalties given for various illegal acts stipulated by laws and administrative regulations, so as to reduce the discretionary power of the customs administrative penalties and increase the transparency of the customs administrative penalties.

(h) procedures for appeal or review;

Implementation

When the import, export or transit enterprises are subject to administrative penalties by the customs, the enterprises may appeal for relief through a variety of legal means. The main forms include pleading, hearing, administrative review or administrative litigation. The relevant regulations are issued publicly and easily accessible by the Internet.

State:

Administrative Procedure Law of the People's Republic of China; (Link 1.66)

Administrative Review Law of the People's Republic of China. (Link 1.67)

Customs:

The following regulations are published and easily accessible by the Internet:

Decree of GACC No. 120 Provisional Regulations of the People's Republic of China on Customs Handling of Appellate Cases (Link 1.68);

Decree of GACC No. 166 Measures of the People's Republic of China on Customs Administrative Review (Link 1.69);

Measures for Customs Administrative Penalty Hearing of the People's Republic of China (Decree No. 145 of GACC) (Link 1.70);

Measures for the Implementation of the Administrative License for Quality Supervision, Inspection and Quarantine (Link 1.71);

Measures for the Administration of Certificates of Administrative Law Enforcement in Quality Supervision, Inspection and Quarantine (Link 1.72);

Rules for the Application of Administrative Penalty Discretion in Quality Supervision, Inspection and Quarantine (Link 1.73).

After the integration of entry-exit inspection and quarantine administration duties and personnel into GACC in 2018, GACC has sorted laws, rules and regulations and abolished two regulations, Announcement of former AQSIQ No. 7 of 1999 Measures for Administrative Review of Entry-Exit Inspection and Quarantine and Decree of former AQSIQ No. 85 Provisions on Administrative Penalty Procedures for Entry-Exit Inspection and Quarantine. (Link 1.74)

General Comment

The implementation is adequate.

(i) agreements or parts thereof with any country or countries relating to importation, exportation, or transit; and

Implementation

Information on free trade agreements with other countries is published in

a timely manner. GACC has set up the sub-column “Business” under the column “Information Disclosure” to introduce information of preferential trade arrangements such as free trade agreements signed with other countries. (Link 1.75)

However, information regarding agreements on mutual recognition of Authorized Economic Operators (AEOs) and mutual aid agreements as well as memorandums of understanding signed with some countries is generally covered by news reports and policy interpretation articles. Some information of AEOs-related policies and mutual recognition is accessible at "Customs Enterprise Credit System Construction" under "Information Disclosure" on China Customs' portal site. GACC has also set up “International AEOs Mutual Recognition” sub-column, but it has only provided relevant news links, failing to comb and list economic entities that have reached agreements on international mutual recognition of AEOs. The relevant departments of GACC have carried out many more detailed and in-depth interpretations of some relevant information through channels such as China Customs magazine, 12360 customs hotline and WeChat public account.

Some relevant information has also been published on the website of former AQSIQ. (Link 1.76 and 1.77)

General Comment

The implementation is inadequate.

Recommendations

Special columns should be set up on China Customs Portal website to publish details of agreements with other countries in a timely manner, comb and publish the texts of the AEO international mutual recognition agreements between China and other countries or regions, and the texts of inspection and quarantine agreements between China and other countries or regions.

- (j) procedures relating to the administration of tariff quotas.

Implementation

Import tariff quotas for agricultural produce, sugar, cotton, wool, wool tops, etc. (Links 1.78, 1.79 and 1.80) are published on the websites of National Development and Reform Commission and Ministry of Commerce. The related information is easily accessible.

The Ministry of Commerce published the catalogue of goods subject to import tariff quota on its official website (Link 1.81)

General Comment

The implementation is adequate.

1.2 Nothing in these provisions shall be construed as requiring the publication or provision of information other than in the language of the Member except as stated in paragraph 2.2.

2 Information Available Through Internet

2.1 Each Member shall make available, and update to the extent possible and as appropriate, the following through the internet:

Laws and Regulations

Measures of the People's Republic of China on Customs Government Information Disclosure provides:

"Article 13 Customs shall proactively disclose customs government information by such easily accessible means as the Customs' websites, nationwide customs service hotline "12360", press conferences, newspapers, magazines, radio and television broadcasting."

Measures for Comprehensively Promoting the Publicity of Government Affairs has referred a lot to the publicity of Customs government information through channels such as Customs websites.

The AQSIQ Guide on Government Information Disclosure provides:

"IV. Means of access to government information

(1) Proactive disclosure of government information.

Citizens, legal persons and other organizations may access the proactively disclosed information that they need, via the AQSIQ Website Government Information Disclosure Catalog (the "Catalog"), or via the retrieval function of the AQSIQ Government Information Disclosure Catalog. Government information that should be proactively disclosed as per the Catalog shall be disclosed within 20 working days by relevant authorities starting from the day of generation of such information.

(2) Disclosure of government information as applied for.

2. Online Application.

.....

3. E-mail Application.

....."

Implementation

The Internet has become an important means for China Customs and relevant commerce administration authorities to disclose information on administrative affairs. China Customs, apart from portals, also uses Wechat, Weibo, APPs, etc. to publish information. GACC's portable website was substantially revised in 2017. After the integration of entry and exit inspection and quarantine administration duties and personnel into GACC in 2018, China Customs has begun to publish information related to entry-exit inspection and quarantine on its portal website, particularly set up some columns, and gradually issue entry-exit inspection and quarantine-related policies.

General Comment

The implementation is adequate. After the structural reform, the information should be updated according to the actual situation in a timely manner.

(a) a description¹ of its procedures for importation, exportation, and transit, including procedures for appeal or review, that informs governments, traders, and other interested parties of the practical steps needed for importation, exportation, and transit;

Refer to 1.1 (a).

(b) the forms and documents required for importation into, exportation from, or transit through the territory of that Member;

Refer to 1.1 (a).

(c) contact information on its enquiry point(s).

Laws and Regulations

Measures of the People's Republic of China on Customs Government Information Disclosure provides that:

"Article 15 Customs shall compile, publish and update in a timely manner Guide on Customs Government Information Disclosure, and Customs Government Information Disclosure Catalog.

Guide on Customs Government Information Disclosure shall include classifications, compilation systems of and means of access to customs government information, and the name, address, business hours, phone number, fax number, E-mail, etc. of the competent departments in charge of customs government information disclosure."

Implementation

Via portal website of China Customs, the addresses of customs and Inspection and Quarantine offices at each port, and the phone numbers thereof may be obtained. The "Business Consultation" sub-column has been set up in the "Exchange and Interaction" column on the portal websites of customs directly under China Customs for various types of business online consultation. After the integration of the entry and exit inspection and quarantine administration duties and personnel into China Customs in 2018, GACC has made it clear that government information disclosure applications involving entry-exit inspection and quarantine duties can be submitted to GACC. Some professional organizations of the former AQSIQ such as the Research Center for International Inspection and Quarantine

Standards and Technical Regulations (WTO/TBT-SPS Notification and Enquiry of China) still provide relevant consultation services. (Link 1.82, 1.83, 1.84 and 1.85)

General Comment

The implementation is adequate.

2.2 Whenever practicable, the description referred to in subparagraph 2.1(a) shall also be made available in one of the official languages of the WTO.

Implementation

The WTO designates English, French and Spanish as the three official languages. The official website of GACC is available in English, but offers very little content and the information updates lag behind. The majority of the content of this provision cannot be found on the official website.

The former AQSIQ website is available in English, but for nearly all laws and regulations, only a list of the English translations of the names of such laws and regulations is provided, while the links thereof all connect to Chinese texts.

After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC in 2018, the former AQSIQ has no longer been updated. The information of entry and exit inspection and Quarantine has been published on China Customs portal website, but the English version of relevant content is still lacking, especially the English version of the previous inspection and quarantine policies.

General Comment

The implementation is inadequate. The English version of the customs information is not comprehensive enough, and the English version of the inspection and quarantine information is extremely scarce.

Recommendations

Draw from the experience of Japanese and Korean customs, and offer

English translations of laws and regulations.

2.3 Members are encouraged to make available further trade-related information through the internet, including relevant trade-related legislation and other items referred to in paragraph 1.1.

Implementation

Since China's accession into the WTO in 2001, competent authorities vested with managerial responsibilities for cross-border trade, including the Ministry of Commerce and customs, have provided, through the Internet, a vast amount of import and export trade-related information that encompasses legislation, import and export administration, taxation, classification, trade licenses, etc.

The China Customs portal website has attached notes of validity status to all policies and regulations, specifically classifying them into "valid, invalid and partially revised", thereby significantly facilitating the search for and use of information.

The search engine embedded in the former AQSIQ website performs badly, and the search results are not properly ranked, and certain important laws and regulations on inspection and quarantine cannot even be found.

After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, only a small number of relevant policies have been integrated into China Customs portal website.

General Comment

The implementation is relatively adequate. After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, it is urgent to integrate the inspection and quarantine contents and services on the former AQSIQ website into China Customs portal website.

3 Enquiry Points

3.1 Each Member shall, within its available resources, establish or maintain one or more enquiry points to answer reasonable enquiries of governments, traders, and other interested parties on matters covered by paragraph 1.1 and to provide the required forms and documents

referred to in subparagraph 1.1(a).

Laws and Regulations

Measures of the People's Republic of China on Customs Government Information Disclosure provides:

"Article 15 Customs shall compile, publish and update in a timely manner Guide on Customs Government Information Disclosure, and Customs Government Information Disclosure Catalog.

Guide on Customs Government Information Disclosure shall include the classification, compilation system of and means of access to customs government information, as well as the name, address, office hours, phone number, fax number, E-mail, etc. of the competent customs authority in charge of government information disclosure.

Article 18 Regarding customs government information requested to be disclosed by an applicant, customs shall, according to the following cases, reply in writing (including in electronic texts) respectively:

(9) Where the disclosure application should be processed via other channels including business consultation, complaint and report, petition letter, and statistical consultation, the applicant shall be guided to process the application via such other channels."

Implementation

The windows, of China Customs, that handle external administrative affairs, are all open to public consultation.

The official websites of customs have all put in place online consultation windows.

Both GACC and customs authorities directly under it have opened a free hotline service – "12360". After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, the entry and exit inspection and quarantine business of the former AQSIQ hotline service, "12365", has been transferred to the hotline service of China customs, "12360".

The WTO/TBT-SPS Notification and Enquiry of China have issued reports

on WTO/TBT-SPS consulting points in China. issued the reports of the National Advisory Points for WTO/TBT-SPS in China. The two centers are affiliated with the former AQSIQ. After the institutional reform, their affiliation relationship has not been clearly defined. (Link 1.86)

So far, China has not established WTO/TFA consulting points. According to China's plan for implementation of the trade facilitation agreement system, trade facilitation-related work, including consulting points, is undertaken by Committee on Trade Facilitation (Inter-ministerial Joint Conference on Trade Facilitation of the State Council). The Ministry of Commerce has set up the WTO / FTA consultation website (referred to as the “WTO consultation website”), but the services and information provided are limited. (Link 1.87)

General Comment

The implementation is adequate, but the information of the establishment of consultation points is inconsistent and there is still room for improvement.

Recommendations

Customs shall consolidate and systematize forms and documents needed to be filled in and used by importers and exporters, and publish downloadable versions online.

In addition, the commodity inspection, animal and plant inspection, health inspection and food safety related to inspection and quarantine involve complicated business areas and require strong technical expertise; it is recommended to enhance the comprehensive professional technical level and ability of the 12365 system operators related to the inspection and quarantine business.

China draws on the experience of existing WTO/TBT consulting points and WTO/SPS consulting points in order to establish WTO/TFA consulting points as soon as possible. After the institutional reform, it is necessary to define the affiliation relationship between WTO/TBT and WTO/SPS as soon as possible and straighten out the working mechanism.

3.2 Members of a customs union or involved in regional integration may establish or maintain common enquiry points at the regional level to satisfy the requirement of paragraph 3.1 for common procedures.

No such circumstances exist currently.

3.3 Members are encouraged not to require the payment of a fee for answering enquiries and providing required forms and documents. If any, Members shall limit the amount of their fees and charges to the approximate cost of services rendered.

Laws and Regulations

Measures of the People's Republic of China on Customs Government Information Disclosure provides:

"Article 22 Where customs provides customs government information as requested by an applicant, other than fees charged for retrieval, copy, and postal delivery, no other fees may be charged. Customs may not, via other organizations and individuals, provide customs government information for a fee.

The standards that govern the cost fees charged by customs for retrieval, copy, postal delivery, etc. shall follow the standards jointly determined by the competent pricing department and the fiscal department under the State Council.

Article 23 In case of genuine economic difficulties of citizens applying for disclosure of customs government information, relevant fees may be reduced or exempted via the citizen's own application and the review and approval by a person in charge at the competent customs authority responsible for government information disclosure."

AQSIQ Guide on Government Information Disclosure provides:

"III. Means of access to government information

.....

7. Fee standards.

.....

(2) Disclosure of government information as applied for.

In cases where the applicant asks for electronic delivery of government information, such information may be delivered free of charge by the AQSIQ department in charge of government information disclosure; in cases where the application asks for provision of such information via postal delivery, the AQSIQ department may charge postal fees as per the standard jointly set by the competent pricing department and the fiscal department under the State Council."

Implementation

Generally speaking, the consultation services offered by customs do not provide forms or documents. In rare cases where such forms or documents are provided, they are provided free of charge. The Application Form of Customs Government Information Disclosure can be downloaded free of charge from the "Information Disclosure" column of China Customs Portal website.

General Comment

The implementation is relatively adequate, but there remains room for improvement.

3.4 The enquiry points shall answer enquiries and provide the forms and documents within a reasonable time period set by each Member, which may vary depending on the nature or complexity of the request.

Laws and Regulations

Measures of the People's Republic of China on Customs Government Information Disclosure provides that:

"Article 19 In cases where customs government information disclosure applications are received and customs are able to reply to such applications on site, customs shall do so.

In cases where they are not able to do so, customs shall reply within 15 working days starting from the date of receipt of application; in cases

where the reply period needs to be extended, consent needs to be obtained from a person in charge at the competent customs government information disclosure department, and the applicant needs to be notified that the extension period shall be no longer than 15 working days.

In cases where the government information requested by an application to be disclosed involves the rights and interests of a third party, the time required for customs to consult the third party shall not be included in the time frame as provided for in Paragraph 2 of this provision. "

AQSIQ Guide on Government Information Disclosure provides:

"VIII. Means of access to government information

.....

6. Handling of Applications.

After receiving Application Form for Government Information Disclosure, this authority will conduct a preliminary review. In cases where the content of application clearly goes beyond the working scope of disclosing requested government information, as provided for by Regulations of the People's Republic of China on Government Information Disclosure, or this authority is clearly not in a position to disclose the information as requested, telephone (recording) communications shall be conducted with the applicant, requiring him or her to withdraw, correct or re-file the application to relevant departments (where the applicant insists on a written reply from this authority, such reply may be offered).

After a preliminary review, applications that meet the requirements will be registered and numbered, and the following reply shall be given within 15 working days since the date of receipt of application:

.....

In cases where the reply period needs to be extended for reasons including work procedures, the applicant shall be notified via telephone (recording) communications, and the maximum extension period shall be no longer than 15 working days."

Implementation

Customs "12360" Hotline provides immediate answers to simple inquiries.

For complicated inquiries, negotiations will be conducted for such inquiries to be addressed by professionals, and no timeframes are set for such purposes.

For online consultations, as of now no reply deadline has been set. The online inquiries and responses of the customs websites directly under China Customs, including the response time and content, should be published in the “Business Consulting” sub-column of the “Exchange and Interaction” column of the website. After the institutional reform, the website of former AQSIQ and the website of the local entry-exit inspection and quarantine bureaus have stopped updating and no longer accept the online consultation of inspection and quarantine business. The inspection and quarantine business consultation has not been provided in the online consultation column of the portal websites of customs directly under China Customs.

General Comment

The implementation is inadequate, but it will continue to be integrated and improved after institutional reform.

Recommendations

In addition to online consultation, consultations and replies of various channels, such as hotline services and email applications, including the reply time, shall be summarized and published on a periodic basis, thereby facilitating continuous improvements of the effectiveness and quality of consultation services.

Website service integration should be accelerated, and inspection and quarantine business consultation services should be provided on the portal websites of GACC and customs directly under GACC as soon as possible.

4 Notification

Implementation

China has established the joint inter-ministerial conference system for trade facilitation work under the State Council. After the entry into force of the

Agreement on Trade Facilitation, the joint meeting is named as Committee on Trade Facilitation of the People's Republic of China. (Link 1.88)

Each Member shall notify the Committee on Trade Facilitation established under paragraph 1.1 of Article 23 (referred to in this Agreement as the "Committee") of:

- (a) the official place(s) where the items in subparagraphs 1.1(a) to (j) have been published;
- (b) the Uniform Resource Locators of website(s) referred to in paragraph 2.1; and
- (c) the contact information of the enquiry points referred to in paragraph 3.1.

ARTICLE 2: OPPORTUNITY TO COMMENT, INFORMATION BEFORE ENTRY INTO FORCE, AND CONSULTATIONS

1 Opportunity to Comment and Information before Entry into Force

1.1 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, provide opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit.

Laws and Regulations

The State has put in place a relatively sound legal system.

Article 58 of Legislation Law of the People's Republic of China provides that the drafting process of administrative laws and regulations shall solicit extensively opinions from relevant authorities, organizations and citizens. The solicitation of such comments may be conducted in forms of symposiums, argumentations, hearings, etc. (Link 2.1)

In January 2018, Decrees of the State Council No. 694 and No. 695 respectively released Decisions of the State Council on Amending Regulations on Formulation Procedures of Administrative Laws and Regulations, and Decisions of the State Council on Amending Regulations on Formulation Procedures of Rules, detailing the formulation procedures for administrative laws and regulations, and rules, with a view to practicing the principle of legislative democracy as provided for in the Legislation Law. (Links 2.2 and 2.3)

China Customs formulated and released relevant departmental rules and regulations.

In December 2008, Decree of GACC No. 180 revised and promulgated Administrative Regulations of the People's Republic of China on Customs

Legislative Work, clarifying the principle of open and transparent customs legislative work, and encouraging and facilitating the involvement of administrative counterparties and the public in customs legislation; providing that after customs rules and regulations are drafted, comments from administrative counterparties shall be solicited via written forms, symposiums, argumentations, debates, etc., and that in cases where the content of the rules and regulations involves major interests of administrative counterparties, or where major differences exist during comment solicitation, the drafting authority may hold legislative hearings. (Link 2.4)

Decree of former AQSIQ No. 15 promulgated Regulations on Formulation Procedures of Rules and Regulations. Article 24 thereof provides that for important drafts for approval, and for drafts for approval that involve differences of opinion over major issues, the Department of Legislation may convene symposiums, argumentations, hearings, etc., to fully collect opinions for research and argumentation. (Link 2.5)

Comparatively, the provisions regarding the involvement of administrative counterparties in legislative work, contained within Decree of GACC No. 180, Administrative Regulations on Legislative Work, are more explicit than those in Decree of AQSIQ No. 15 Procedures on Formulation of Rules and Regulations.

After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, the work of amending and improving the customs rules and regulations has been gradually carried out, and the Administrative Regulations on Legislative Work may be amended. However, in 2018, the two laws are still used in parallel.

Implementation

Soliciting of opinions on the draft laws is available on www.chinalaw.gov.cn and official website of NPC. (Link 2.6)

The implementation of China Customs needs to be improved.

Special column on collecting public comments is available on GACC's portal site; in 2018 4 calls for comments and 3 calls for comments on the

legislative draft were released on the site. (Link 2.7)

The Legislative Symposium of GACC: between 2017 and 2018, GACC held one legislative symposium on the Measures for Credit Management of Customs Enterprises of the People's Republic of China (Draft for Comments) in December, 2017.

Special columns were put in place on the former AQSIQ official website dedicated to the collection of public comments and online questionnaires; in 2017, altogether 10 calls for comments were released on the official website; by April 20, 2018 a total of 4 calls for comments on department regulations had been released. But no legislative hearing was held. In accordance with the requirements of TBT agreement, China has notified the member states of its technical regulations before the date when it is planned to put into effect for their appraisal. (Link 2.8)

In 2018, 5 calls for comments on inspection and quarantine had been released on the official website of Legal Affairs Office of the State Council. (Link 2.9)

General Comment

Institutional arrangements of China Customs were generally put in place, but it is to be improved. Institutional arrangements of the former AQSIQ are not as clear as those of former customs, but better implemented.

Recommendations

1. To take the integration of customs and I&Q as an opportunity to amend Decree of GACC No. 180 Administrative Regulations on Legislative Work and meanwhile take effective measures to ensure adequate implementation of relevant provisions of Decree of GACC No. 180.
2. To solicit trade community's opinions in advance on legislation formulation, management procedures and even detail scripts for system development and take such opinions into account seriously; to avoid the inconvenience of enterprise operation after management process is issued or the system goes live for operation which increases the government

administrative costs and enterprise operating costs.

3. For comments collected online, open communications and discussions should be allowed and encouraged, and legislative bodies should offer timely replies to the opinions and proposals offered by the public and the business community.

4. It is suggested that experts, scholars, social organizations and administrative counterparts should be invited regularly (for example, every 6 months) to participate in the legislative effect evaluation of the issuing of normative documents involving administrative counterpart.

1.2 Each Member shall, to the extent practicable and in a manner consistent with its domestic law and legal system, ensure that new or amended laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit, are published or information on them made otherwise publicly available, as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them.

Laws and Regulations

Decree of GACC No. 215 Measures of the People's Republic of China on Customs Government Information Disclosure provides:

"Article 8 Customs shall disclose government information in a timely and accurate manner. In cases where customs finds false or incomplete information that affects or is likely to affect social stability and disrupt social management order, customs shall, within its scope of responsibilities, provide clarifications via disclosing accurate customs government information.

.....

Article 14 Government information within the scope of "proactive disclosure", shall be disclosed within 20 working days from the date on which such information is generated, changed or obtained." (Link 2.10)

Article 42, Section 5 (Review and Disclosure) of Decree of GACC No. 180 Administrative Regulations of the People's Republic of China on Customs Legislative Work provide, "except for exceptional circumstances, customs

rules and regulations shall be implemented 30 days after the publication thereof, at the earliest."

AQSIQ Guide on Government Information Disclosure provides:

"IV. Means of access to government information

(1) Proactive disclosure of government information.

Citizens, legal persons and other organizations may access the proactively disclosed information that they need, via the AQSIQ Website Government Information Disclosure Catalog (the "Catalog"), or via the retrieval function of the AQSIQ Government Information Disclosure Catalog. Government information that should be proactively disclosed as per the Catalog shall be disclosed within 20 working days by relevant authorities starting from the day of generation of such information."

It's stipulated in Article 32 of Regulations of AQSIQ on Rule and Regulation Formulation Procedures (Decree of AQSIQ No. 190), "unless otherwise provided in laws and administrative regulations, rules and regulations shall be implemented 30 days after the publication thereof, at the earliest."(Link 2.11)

Implementation

Article 42, Section 5 (Review and Disclosure) of Decree of GACC No. 180 Administrative Regulations of the People's Republic of China on Customs Legislative Work provides, "customs rules and regulations shall be implemented 30 days after the publication thereof, at the earliest, except for special cases." However, a preliminary statistical analysis on the relevant regulations released by China Customs portal websites between 2017 and 2018 reveals that 7 regulations met the requirement and 4 ones failed to, but 3 ones (Regulation No. 238, 239 and 241) were formulated at emergencies after integration of customs and I & Q and shall be regarded as special cases.. Therefore, it can be seen that in terms of the timeliness of the disclosure of laws and regulations, customs have done better in compliance.

Release of GACC Decrees from 2010 to 2016

<i>Status</i>	<i>Amount</i>	<i>Proportion against the Total</i>
Decree released and entered into force on the same date	3	27.3%
Decree released on a date preceding its date of entry into force	8	72.7%
of which, date of release over 30 days in advance of date of entry into force	7	63.6%
Date of release 1-30 days in advance of date of entry into force	1	9.1%
Decree released on a date succeeding its date of entry into force	0	0
Total (No. 231-241)	11	

The time limit required by the former AQSIQ in this regard is the same and the execution is similar.

<i>Status</i>	<i>Amount</i>	<i>Proportion against the Total</i>
Decree released and entered into force on the same date	1	20%
Decree released on a date preceding its date of entry into force	4	80%
of which, date of release over 30 days in advance of date of entry into force	4	80%
Date of release 1-30 days in advance of date of entry into force	0	0
Decree released on a date succeeding its date of entry into force	0	0
Total (No. 192-196; No. 148 missing and some revised)	5	

General Comment

The implementation is adequate.

Recommendations

Release all laws and regulations 30 days before implementation, thereby leaving reasonable time for preparation for businesses to cooperate with the government's implementation efforts of laws and regulations.

1.3 Changes to duty rates or tariff rates, measures that have a relieving effect, measures the effectiveness of which would be undermined as a result of compliance with paragraphs 1.1 or 1.2, measures applied in urgent circumstances, or minor changes to domestic law and legal system are each excluded from paragraphs 1.1 and 1.2.

2 Consultations

Each Member shall, as appropriate, provide for regular consultations between its border agencies and traders or other stakeholders located within its territory.

Laws and Regulations

No specific provisions apply.

Implementation

China Customs is open to consultations and negotiations with industry. Dialogs and consultations with businesses and chambers of commerce are organized on a periodic or an ad hoc basis, depending upon specific work needs.

However, to date, standardized periodic consultation mechanisms are yet to be formed for the consultation arrangements between China Customs and the business community.

General Comment

Implementation was proactive, but it is yet to be institutionalized and standardized.

Recommendations

1. It's suggested that China Customs should formulate and establish periodic consultation mechanisms with industry, adopt a more flexible and pragmatic approach to the determination of attendees, issues for consultation, etc., and extensively solicit and absorb feedback, complaints and recommendations from a wide range of business representatives;
2. There should be more accessible and effective information feedback channels and resolution mechanisms for issues that are of great importance, urgency, and that may cause extensive impact.

ARTICLE 3: ADVANCE RULINGS

Laws and Regulations

Decree of GACC No. 236 Interim Measures for the Administration of the People's Republic of China Customs Advance Rulings (Link 3.1) has been implemented since February 1, 2018, and China Customs has officially implemented the advance ruling system since then.

Announcement of GACC No. 14 of 2018 on the Implementation of the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China (Link 3.2) clearly stipulates the matters related to the implementation of the Customs Advance Ruling System.

Decree of GACC No. 92 Provisional Administrative Measures of the People's Republic of China on Customs Administrative Rulings (Link 3.3) related to customs advance ruling system has not been officially abolished.

Implementation

During the more than ten years from Dec. 24, 2001 to the end of August, 2018, the Interim Measures for the Administration of Customs Administrative Rules of the People's Republic of China, No. 92 of the General Administration Order of the Customs, issued on January 1, 2002, there were 10 examples of classified administrative rulings and one case of administrative rulings of origin, which were published publicly through the Chinese Customs portal website.

Decree of GACC No. 236 the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China issued on December 26, 2017 and implemented on February 1, 2018, stipulates that an enterprise may apply to the Customs for advance rulings on the classification, price and origin of goods three months before the import and export of goods. By August 21, 2018, China Customs had issued 192 advance ruling decisions on commodity classification. The relevant

decisions have been published in the “China Customs Classification Test” mobile phone APP. China Customs had issued 11 advance ruling decisions on origin, and the relevant decisions have not been published.

In 2016, China Customs began to implement the system of respecting previous cases in classification and operated the pilot "classification previous case auxiliary search system" on November 24, 2016, covering the commodities stipulated in Article 80, 81 and 82 of Export Tariff of the People's Republic of China imported via national ports by sea, land and air; those involving pricing formula, special cases and certificates or statements of the place of origin under the preferential trade agreement that has not been e-networked are not included in the scope of the pilot. By August 27, 2018, China Customs had not expanded the pilot scope of the system of respecting previous cases in classification, nor had it introduced a new system. (Link 3.4)

General Comment

After the implementation of the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China, the design of the system for advance rulings by China Customs has been improved and the implementation has been in good condition. However, it is still necessary to improve the corresponding advance ruling decisions.

Recommendations

China Customs should set up a column to publish all kinds of customs advance ruling decisions on its portal website.

1 Each Member shall issue an advance ruling in a reasonable, time-bound manner to the applicant that has submitted a written request containing all necessary information. If a Member declines to issue an advance ruling, it shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision.

Laws and Regulations

Laws and regulations have put in place clear time limits for customs advance rulings.

	<i>Advance ruling</i>	<i>Administrative ruling</i>	<i>Advance price review</i>	<i>Advance classification</i>	<i>Advance determination of place of origin</i>
<i>Document Number</i>	Decree of GACC No. 236	Decree of GACC No. 92	Shu Shui Fa [2011] No. 419	Decree of GACC No. 158	Shu Shui Fa [2012] No. 129
<i>Time limit for reply</i>	60 days	60 days	10 working days	15 working days	150 days

In cases where customs reject to issue advance rulings or take similar measures, some regulations require compulsory provision of grounds for rejection, while other regulations do not.

	<i>Advance ruling</i>	<i>Administrative ruling</i>	<i>Advance price review</i>	<i>Advance classification</i>	<i>Advance determination of place of origin</i>
<i>Document Number</i>	Decree of GACC No. 236	Decree of GACC No. 92	Shu Shui Fa [2011] No. 419	Decree of GACC No. 158	Shu Shui Fa [2012] No. 129
<i>Rejection</i>	Customs needs to provide grounds for rejection.	Customs needs to provide grounds for rejection.	Not required by regulations.	Not required by regulations.	Provision of grounds for rejection in writing.

Implementation

The implementation of the advance ruling system is stable and rapid, and it is worth affirming.

2 A Member may decline to issue an advance ruling to the applicant where the question raised in the application:

The above scenarios do not apply to China.

(a) is already pending in the applicant's case before any governmental agency, appellate tribunal, or court; or

(b) has already been decided by any appellate tribunal or court.

3 The advance ruling shall be valid for a reasonable period of time after its issuance unless the law, facts, or circumstances supporting that ruling have changed.

Laws and Regulations

China Customs' advance ruling system provides clear valid period for rulings.

	<i>Advance ruling</i>	<i>Administrative ruling</i>	<i>Advance price review</i>	<i>Advance classification</i>	<i>Advance determination of place of origin</i>
<i>Document Number</i>	Decree of GACC No. 236	Decree of GACC No. 92	Shu Shui Fa [2011] No. 419	Decree of GACC No. 158	Shu Shui Fa [2012] No. 129
<i>Conditions for revocation</i>	Changes of laws, facts and circumstances	Changes of laws, facts and circumstances	Changes of laws, facts and circumstances	Changes of laws, facts and circumstances	Changes of laws, facts and circumstances
<i>Validity Period</i>	3 years	It will be always valid.	90 days (a 30-day extension is allowed under exceptional circumstances)	3 years	No explicit provisions. It will be always valid as long as regulations/ conditions do not change.

Implementation

The implementation is adequate.

4 Where the Member revokes, modifies, or invalidates the advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. Where a Member revokes, modifies, or invalidates advance rulings with retroactive effect, it may only do so where the ruling was based on incomplete, incorrect, false, or misleading information.

Laws and Regulations

Explicit requirements to notify the party of revocation of advance ruling exist in some advance ruling regulations of China Customs. The advance ruling system of China Customs has explicit provisions for cases where advance rulings that have been issued may be revoked.

	<i>Advance ruling</i>	<i>Administrative ruling</i>	<i>Advance price review</i>	<i>Advance classification</i>	<i>Advance determination of place of origin</i>
<i>Document Number</i>	Decree of GACC No. 236	Decree of GACC No. 92	Shu Shui Fa [2011] No. 419	Decree of GACC No. 158	Shu Shui Fa [2012] No. 129
<i>Whether or not the party should be notified of revocation of advance ruling</i>	Written notification to the party	Written notification to the party	Timely notification to the enterprise applicant	Notification to the party via a Notification Letter	No applicable provisions
<i>Definition of revocation scenarios for advance ruling</i>	Clear definition	Clear definition	Clear definition	Clear definition	Clear definition

Implementation

The implementation is adequate.

5 An advance ruling issued by a Member shall be binding on that Member in respect of the applicant that sought it. The Member may provide that the advance ruling is binding on the applicant.

Laws and Regulations

The decisions issued by China Customs as per relevant regulations on advance ruling are binding for national customs and advance ruling applicants.

Implementation

The implementation is adequate.

6 Each Member shall publish, at a minimum:

(a) the requirements for the application for an advance ruling, including the information to be provided and the format;

Article 5 of the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China stipulates that if an applicant applies for an advance ruling, he shall submit the Customs Advance Ruling Application Form of the People's Republic of China (hereinafter referred to as the "Advance Ruling Application Form") and the relevant materials required by customs. If the materials are in foreign languages, the applicant shall submit a Chinese translation that complies with the customs requirements at the same time. The applicant shall bear legal liability for the authenticity, accuracy, completeness and standardization of the submitted materials.

Announcement of GACC No. 14 on the Implementation of the Measures for the Administration of Customs Advance Rulings of the People's Republic of China provides the electronic Customs Advance Ruling Application Form of the People's Republic of China, Customs Advance Ruling Application Acceptance Decision of the People's Republic of China, Customs Advance Ruling Application Rejection Decision of the People's Republic of China, Notice of Customs Advance Ruling Application Supplementation and Correction of the People's Republic of China, Customs Advance Ruling Decision of the People's Republic of China, Notice of Customs Advance Ruling Application Material Supplementation of the People's Republic of China, Decision on Terminating Customs Advance Ruling of the People's Republic of China, Customs Advance Ruling Withdrawal Application Form of the People's Republic of China and Notice on Cancellation of the Customs Advance Ruling Decision of the People's Republic of China.

(b) the time period by which it will issue an advance ruling; and

Article 11 of the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China stipulates that customs shall develop and issue the Advance Ruling Decision within 60 days from the date of acceptance. The Advance Ruling Decision shall be served on the applicant and shall come into force on the date of service. Where the relevant circumstances need to be determined by laboratory examination, testing, appraisal, expert argumentation or other means, the time required

shall not be included in the time limit stipulated in paragraph 1 of this Article.

(c) the length of time for which the advance ruling is valid.

Article 13 of the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China stipulates that the Advance Ruling Decision should be valid for three years. If the laws, administrative regulations, customs rules and regulations on which the advance ruling decision is based and the relevant provisions of the announcement made by GACC change and affect its validity, the advance ruling decision shall automatically become invalid.

7 Each Member shall provide, upon written request of an applicant, a review of the advance ruling or the decision to revoke, modify, or invalidate the advance ruling.

Laws and Regulations

Article 18 of Decree of GACC No. 236 the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China stipulates that if the applicant is not satisfied with the decision, he or she may apply to GACC for administrative review; if he or she is not satisfied with the decision of the administrative review, he or she may institute an administrative lawsuit in a people's court according to law.

Article 20 of Decree of GACC No. 92 Provisional Administrative Measures of the People's Republic of China on Customs Administrative Ruling provides that in cases where a party to import and export activities does not accept a particular administrative action by customs, and objects to the administrative ruling on which such administrative action is based, then the party, while applying for review of such particular administrative action, may apply for review of the administrative ruling. After receiving the application for review, the customs authority processing the review shall transfer the application therein for review of administrative ruling to GACC, and GACC shall then issue a review decision.

Paragraph (7), Article 9 of Decree of GACC No. 166 Measures of the

People's Republic of China on Customs Administrative Review provides that in cases where the party objects to a particular administrative action in connection with tax levying and collection, including customs determination of customs value, classification of goods, determination of place of origin, etc., may apply for administrative review.

Implementation

The administrative review system is adequately implemented, but regarding the review of advance rulings, given the short entry-into-force time, no specific implementation cases have been found up to date.

8 Each Member shall endeavour to make publicly available any information on advance rulings which it considers to be of significant interest to other interested parties, taking into account the need to protect commercially confidential information.

Laws and Regulations

China's customs had publicized the advanced ruling it made and had provided for the protection of the related confidential commercial information.

9 Definitions and scope:

(a) An advance ruling is a written decision provided by a Member to the applicant prior to the importation of a good covered by the application that sets forth the treatment that the Member shall provide to the good at the time of importation with regard to:

- (i) the good's tariff classification; and
- (ii) the origin of the good.³

(b) In addition to the advance rulings defined in subparagraph (a), Members are encouraged to provide advance rulings on:

- (i) the appropriate method or criteria, and the application thereof, to be used for determining the customs value under a particular set of facts;
- (ii) the applicability of the Member's requirements for relief or exemption from customs

duties;

(iii) the application of the Member's requirements for quotas, including tariff quotas;

and

(iv) any additional matters for which a Member considers it appropriate to issue an advance ruling.

(c) An applicant is an exporter, importer or any person with a justifiable cause or a representative thereof.

(d) A Member may require that the applicant have legal representation or registration in its territory. To the extent possible, such requirements shall not restrict the categories of persons eligible to apply for advance rulings, with particular consideration for the specific needs of small and medium-sized enterprises. These requirements shall be clear and transparent and not constitute a means of arbitrary or unjustifiable discrimination.

ARTICLE 4: PROCEDURES FOR APPEAL OR REVIEW

Laws and Regulations

China has already established a relatively sound legal system on administrative procedure and administrative review, mainly including:

◎ Administrative Procedure Law of the People's Republic of China (Link 4.1);

◎ Administrative Review Law of the People's Republic of China (Link 4.2).

As per Administrative Review Law, China Customs formulated and promulgated Measures on Customs Administrative Review (Link 4.3);

As per Administrative Review Law, former AQSIQ formulated and promulgated Measures on Administrative Review of Entry-Exit Inspection and Quarantine (Link 4.4).

Implementation

In 2015, customs authorities across China received 143 administrative review applications in total, the types of cases including administrative penalty, tax dispute, administrative mandatory measures, administrative mandatory enforcement, goods ordered to be returned, and customs government information disclosure. 12% of the reviewed cases were corrected. In 2015, altogether 41 administrative procedure cases occurred involving customs authorities across the country. Of the 18 cases that have been concluded, the plaintiff withdrew the lawsuit in 11 cases, and the remaining 7 cases were won by customs.

In 2016, customs authorities across China received 94 administrative review applications in total: in 65 ones the original ruling was maintained; one was rejected; 10 ones were withdrawn; in 15 ones the original ruling was cancelled; in 15 ones the original ruling was cancelled and re-ruling was required; 2 ones were mediated and one was suspended. In 2016, a total of 41 administrative procedure cases occurred involving customs authorities across the country. Of the 30 cases concluded at the first instance; the customs won 14 ones and lost one; the plaintiff withdrew the lawsuit in 15 ones. Of the 4 cases concluded at the second instance, the customs won

4 ones and the plaintiff withdrew the lawsuit in one case. In 2017, the customs across China accepted a total of 174 applications for administrative review. The types of cases include administrative penalties, tax disputes, administrative compulsory measures, administrative compulsory enforcement, ordering the return of goods and customs information disclosure, among which the error correction rate of review cases concluded is 11.4%. In 2017, there were altogether 82 administrative litigation cases in the customs throughout the country, a year-on-year increase of 134%. Of the cases concluded, customs did not lose any one.

In 2016, the inspection and quarantine system (as the local quality and technical supervision bureau's review and respondent data are included in the statistics of the local People's government, the statistical data includes only the review and responding cases handled by AQSIQ and the entry-exit inspection and quarantine departments directly under its administration) received 301 review cases, with an aggregate correction ratio of 36.46%, including 177 reporting and complaint cases (58.8%), 73 information disclosure cases (24.3%), 19 administrative licensing cases (6.2%); 12 administrative omission cases (4%); 9 administrative penalty cases (3%); 2 administrative compulsory cases (0.7%); one administrative confirmation case (0.3%); 8 other cases (2.7%).

In 2017 the inspection and quarantine system received a total of 193 review applications. There were totally 28 administrative procedure cases involving inspection and quarantine authority across the country.

General Comment

Administrative procedure and review systems have been adequately implemented.

1 Each Member shall provide that any person to whom customs issues an administrative decision⁴ has the right, within its territory, to:

(a) an administrative appeal to or review by an administrative authority higher than or independent of the official or office that issued the decision;

Laws and Regulations

Article 17 of Measures on Customs Administrative Review provides, "in cases of objections to a particular administrative action by a customs authority, application shall be filed to a higher customs authority for administrative review.

In cases of objections to a particular administrative action of GACC, application shall be filed to GACC for administrative review.' (Link 4.5)

Article 10 of Measures on Administrative Review of Entry-Exit Inspection and Quarantine provides, "in cases of objections to a particular administrative action by an entry-exit inspection and quarantine authority, application shall be filed to a higher competent authority for review." (Link 4.6)

Implementation

Customs received 143 administrative review applications in total in 2015, 94 in 2016, and 174 in 2017. The inspection and quarantine system received 301 administrative review applications in total in 2016, and 193 ones in 2017. The channel for administrative counterparties to apply for administrative review is relatively smooth.

General Comment

The implementation is adequate.

and/or

(b) a judicial appeal or review of the decision.

Laws and Regulations

Article 2 of Administrative Procedure Law of the People's Republic of China provides, "in cases where citizens, legal persons or other organizations believe that the administrative actions of administrative authorities and of the staff thereof infringe upon their lawful rights and interests, they may bring lawsuits to the People's Court as per this Law.

The administrative actions referred to by the preceding paragraph are those

conducted by organizations mandated by laws, regulations, and rules." (Link 4.7)

Article 7 of Administrative Review Law of the People's Republic of China provides, "in cases where citizens, legal persons or other organizations believe the particular administrative actions of administrative authorities are not based on legitimate regulations, they may, while applying for administrative review of such administrative actions, apply to administrative review authorities for review of such regulations." (Link 4.8)

Article 64 of the Customs Law of the People's Republic of China stipulates, "When a dispute over the tax payment arises between the tax payer and the customs, the tax payer shall pay the tax and can apply for administrative review according to law. If the tax payer is still not satisfied with the review decision, he or she can bring a lawsuit to the People's court." (Link 4.9)

Article 31 of Measures of the People's Republic of China on Customs Administrative Review provides, "in cases where an applicant believes that the particular administrative actions of customs are not based on legitimate regulations, as per provisions of Article 7 of Administrative Review Law, they may, while applying for administrative review of such administrative actions, apply for review of such regulations." (Link 4.10)

Article 6 of Measures on Administrative Review of Entry-Exit Inspection and Quarantine provides, "in cases where citizens, legal persons, or other organizations believe that the particular administrative actions of entry-exit inspection and quarantine authorities are not based upon legitimate regulatory documents, they may, while applying for administrative review of such administrative actions, apply for review of such documents." (Link 4.11)

Implementation

In 2015, altogether 41 administrative procedure cases occurred involving customs authorities across the country. The number increased to 44 in 2016 and 82 in 2017.

General Comment

The implementation is relatively adequate.

2 The legislation of a Member may require that an administrative appeal or review be initiated prior to a judicial appeal or review.

Laws and Regulations

Article 64 of Customs Law of the People's Republic of China provides, "in cases of tax disputes between the taxpayer and customs, the tax payer shall pay the due tax, and may apply for administrative review according to law; in cases where objections still stand to the decision of the administrative review, the taxpayer may bring lawsuits to the People's Court according to law.

Apart from the above cases involving tariff disputes in which review preposition is required according to law, for other matters, administrative review may be applied for to customs, or administrative procedure may be directly brought to courts."

General Comment

The regulations are clear, and the implementation is adequate. (Link 4.12)

3 Each Member shall ensure that its procedures for appeal or review are carried out in a nondiscriminatory manner.

General Comment

China has put in place non-discriminatory implementation of its appeal or review procedures. Whether it is a company or a natural person, whether it is a Chinese or a foreigner, whether it is a Chinese enterprise or a foreign enterprise, whether it is a state-owned enterprise or a private enterprise, the procedures for and rights of appeal or review are the same, and identity discrimination is not allowed.

4 Each Member shall ensure that, in a case where the decision on appeal or review under subparagraph 1(a) is not given either:

(a) within set periods as specified in its laws or regulations; or

(b) without undue delay the petitioner has the right to either further appeal to or further

review by the administrative authority or the judicial authority or any other recourse to the judicial authority.

Laws and Regulations

It's stipulated in the Administrative Review Law of the People's Republic of China, "Article 19 It's required by laws and regulations to apply to administrative review authorities for administrative review. If the administrative review authorities decide not to accept the administrative procedure brought the People's court in cases where citizens, legal persons or organizations are not satisfied with the administrative review decision or fail to make any reply within the administrative review period after accepting it, citizens, legal persons or organizations can bring an administrative procedure to the People's court according to law within 15 days after receiving the notification of not accepting the case or the expiration of the administrative review period." (Link 4.13)

"Article 20 If the administrative review authority refuses to accept the administrative review applied by citizens, legal persons or other organizations according to law, the superior administrative authority shall order it to accept it; when necessary, the superior administrative authority may also directly accept it."

It's stipulated in the Administrative Procedure Law of the People's Republic of China, "Article 45 If citizen, legal persons or other organizations refuse to accept the review decision, and they may bring a lawsuit to courts within 15 days after the date of receiving the review decision. If the review authority fails to make a decision, the applicant can bring a lawsuit to courts within 15 days after the expiration of the review period." (Link 4.14)

Article 68 of Measures on Customs Administrative Review provides, "customs administrative review authorities shall issue an administrative review decision within 60 days from the date of accepting the application. However, for any of the following scenarios, with the approval from a person in charge from the customs administrative review authority, an extension of 30 days may be given:

(1) the administrative review case is of great importance, complex, and

difficult to handle;

(2) an administrative review hearing has been decided to be held;

(3) consent has been obtained of the applicant;

(4) a third party participates in the administrative review;

(5) further investigation is needed for the new facts or evidence submitted by an applicant or a third party.

In cases where the customs administrative review authority extends the review period, a Notification Letter of Extension of Administrative Review shall be made and sent to the applicant, respondent or third party." (Link 4.15)

Article 23 of Measures on Administrative Review of Entry-Exit Inspection and Quarantine provides, "the review authority shall issue a review decision within 60 days after the date of accepting the application; except cases where the review period shall be less than 60 days according to law.

In cases of complicated review decisions that cannot be made within the prescribed time limit, a reasonable extension may be given with the consent of the person in charge from the review authority, and notified to the applicant and respondent; but the extension period shall not be longer than 30 days." (Link 4.16)

General Comment

The regulations are clear, and the implementation is adequate.

5 Each Member shall ensure that the person referred to in paragraph 1 is provided with the reasons for the administrative decision so as to enable such a person to have recourse to procedures for appeal or review where necessary.

Laws and Regulations

Article 31 of Administrative Penalty Law of the People's Republic of China provides that prior to issuing an administrative penalty decision, the administrative authority shall notify the facts, grounds and basis of the administrative penalty decision to the party, together with the party's rights according to law. (Link 4.17)

It's stipulated in Article 60 of Regulations on Procedures for Handling Customs Administrative Penalty Cases of the People's Republic of China, "Before making an administrative penalty decision, the customs shall inform the party concerned of the facts, grounds and basis for the administrative penalty decision as well as the lawful rights of the party concerned." (Link 4.18)

Implementation

In cases where customs and Inspection and Quarantine authorities issue administrative decisions on other matters according to laws and regulations, if the party demands the basis of administrative law enforcement, such basis may be provided.

General Comment

The implementation is relatively adequate.

6 Each Member is encouraged to make the provisions of this Article applicable to an administrative decision issued by a relevant border agency other than customs.

Implementation

In addition to China Customs, other border institutions have also established corresponding appeal or review procedures.

It's stipulated in Article 51 of Regulations on the Foreign Exchange System of the People's Republic of China, "The party concerned refusing to accept a specific administrative act made by the foreign exchange authority may apply for administrative review according to law can bring an administrative lawsuit to the People's court in case of refusing to accept the administrative review decision." (Link 4.19)

It's stipulated in Article 3 of the Measures for the Implementation of Administrative Review of the Ministry of Commerce, "If the party concerned refuses to accept the following administrative acts, he or she can apply to the Ministry of Commerce for administrative review: i. Specific administrative acts made by the Ministry of Commerce; ii.

Specific administrative acts made by agencies dispatched by the Ministry of Commerce in accordance with provisions of laws, rules and regulations on behalf of themselves; iii. Specific administrative acts of organizations authorized by laws and regulations and directly managed by the Ministry of Commerce." (Link 4.20)

Recommendations

Content of Article 17 of Customs Administrative Review Measures, relating to the administrative procedure and administrative review systems within the scope of trade facilitation, has been well implemented, but it is undeniable that when enterprises are exercising administrative rights, because 1) they are concerned about retaliation by the administrative authority; 2) remedy procedures are complex or inaccessible; 3) where the administrative review and administrative litigation are interfered by many non-legal factors, and the impartial judgment is affected, customs shall take pragmatic and effective measures to remove the barriers to the importer's application for administrative review.

ARTICLE 5: OTHER MEASURES TO ENHANCE IMPARTIALITY, NON-DISCRIMINATION AND TRANSPARENCY

Laws and Regulations

China has established a sound quarantine system on public health and on animals and plants, intended for the protection of the health of the country's residents and its animals and plants.

Explicit provisions have been set out by the State regarding the publication and revocation of information on epidemics, and designated ports for import and export.

In cases where China Customs and former AQSIQ decide to detain import goods, there are relevant detention procedures that shall be followed. Former AQSIQ explicitly required notification to the party "as soon as possible"; China Customs stipulate that the parties concerned shall be informed on the spot when the goods are detained, and the legal documents shall be signed by the parties or their agents.

China Customs and former AQSIQ explicitly provide that the parties may apply for re-inspection, the result of which may be accepted by the above authorities.

The Chinese government has published a list of laboratories, testing laboratories and certification agencies accredited by relevant authorities.

General Comment

This provision has been adequately implemented in China.

1 Notifications for enhanced controls or inspections

Where a Member adopts or maintains a system of issuing notifications or guidance to its concerned authorities for enhancing the level of controls or inspections at the border in respect of

foods, beverages, or feedstuffs covered under the notification or guidance for protecting human, animal, or plant life or health within its territory, the following disciplines shall apply to the manner of their issuance, termination, or suspension:

(a) the Member may, as appropriate, issue the notification or guidance based on risk;

(b) the Member may issue the notification or guidance so that it applies uniformly only to those points of entry where the sanitary and phytosanitary conditions on which the notification or guidance are based apply;

(c) the Member shall promptly terminate or suspend the notification or guidance when circumstances giving rise to it no longer exist, or if changed circumstances can be addressed in a less trade-restrictive manner; and

(d) when the Member decides to terminate or suspend the notification or guidance, it shall, as appropriate, promptly publish the announcement of its termination or suspension in a non-discriminatory and easily accessible manner, or inform the exporting Member or the importer.

Laws and Regulations

Public health inspection laws and regulations of the Chinese government explicitly provide that in cases of epidemics, specific ports of entry may be designated.

China released Law of the People's Republic of China on Frontier Public Health Quarantine. (Link 5.1)

Article 9 of Implementation Regulations of the Law of the People's Republic of China on Frontier Public Health Quarantine provides that "at times when epidemics are prevalent at home or abroad, health administrators under the State Council shall immediately report to the State Council for approval of the adoption of some or all of the following quarantine measures:

- (1) order the blockade of relevant areas of the border and rivers within the border;
- (2) specify the goods that have to be sterilized or de-insectized before being transported into or out of China;
- (3) prohibit certain goods from being transported into or out of China;

(4) designate the port and airport as the first choice for entry. For vessels or aircrafts which come from epidemic areas in foreign countries and regions and did not go through quarantine procedures at the port or airport as the first choice for entry, except for circumstances involving dangers or other exceptional circumstances, may not access other ports or airports." (Link 5.2) China's laws and regulations on quarantine of animals and plants intended for entry or exit explicitly provide that the State Council may adopt controls on the relevant border areas, and issue orders to prohibit, when necessary, transport vehicles from the area of animal and plant epidemic from entry, or to blockade relevant ports.

China released Law of the People's Republic of China on Quarantine of Animals and plants Intended for Entry and Exit. (Link 5.3)

Article 4 of Implementation Regulations of Law of the People's Republic of China on Quarantine of Animals and plants Intended for Entry and Exit provides, "when major animal and plant epidemics break out in areas outside China and are likely to be imported into China, the following emergency preventive measures shall be adopted based upon specific circumstances:

(1) The State Council may control the relevant border areas, and issue orders, when necessary, to prohibit entry of transport vehicles from the area of animal and plant epidemic, or blockade relevant ports;

(2) Competent agricultural administrative authorities under the State Council may release the list of animals and plants, animal and plant products and other goods subject to quarantine procedures that come from countries and regions where animal and plant epidemic prevails, and are thus prohibited from entry;

(3) Animal and plant quarantine authorities of relevant ports may adopt emergency quarantine measures for goods intended for entry as listed in (2) of this provision that may be subject to pollution by diseases and insects;

(4) The local governments in regions threatened by animal and plant epidemic may immediately convene relevant departments to formulate and implement emergency plans, and report to the superior People's Government and National Animal and Plant Quarantine Bureau." (Link 5.4)

China has formulated an administrative system for food safety including the

safety of import and export food. (Links 5.5 and 5.6)

In addition, Article 13 of Administrative Regulations on Risk Warning and Speedy Response by Entry-Exit Inspection and Quarantine Authorities provides, "for goods and items that are intended for entry or exit and that are riskless or whose risk has been minimized, AQSIQ shall issue an announcement to revoke the warning." (Link 5.7)

After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, the relevant work has also been completed by the customs.

General Comment

The regulations are clear, and the implementation is adequate.

2 Detention

A Member shall promptly inform the carrier or importer in case of detention of goods declared for importation, for inspection by customs or any other competent authority.

Laws and Regulations

Customs will send a notification letter of detention of goods to the declarant, if customs detains the goods thereof.

Article 42 of Implementation Regulations of the People's Republic of China on Customs Administrative Penalty provides, "where customs detains, according to law, goods, items, transport vehicles, other property and files including account books or documents, customs shall write and issue a letter of customs detention of goods, which shall be signed or stamped by customs staff, the parties or the agent, custodian and witness thereof, and which may be marked by a customs seal. In cases where such customs seal is used, the parties or the agent and custodian thereof shall take proper of such customs seal." (Link 5.8)

Article 41 of Implementation Regulations of Law of the People's Republic of China on Inspection of Commodities for Importation or Exportation provides, "for commodities for importation or exportation that are believed

by entry-exit inspection and quarantine authorities with proper cause to bear upon safety of life and that of property and health, and have substandard environmental protection projects, with the approval of the person in charge of this authority, such commodities may be sealed or detained, except for goods under customs supervision." (Link 5.9)

Article 15 of Decree of AQSIQ No. 108 Administrative Regulations on Seal and Detention by Entry-Exit Inspection and Quarantine Authorities provides, "Letter of Decision of Sealing or Detention by Inspection and Quarantine Authorities" shall be sent to the party in a timely manner, and the party shall sign or stamp Confirmation of Receipt, and mark the date of receipt." (Link 5.10)

General Comment

The regulations are clear, and the implementation is adequate.

3 Test Procedures

Laws and Regulations

China Customs has a relatively complete set of regulations on test procedures, including Decree of GACC No. 176 Administrative Measures of the People's Republic of China on Customs Testing, Work Regulations on Customs Testing, and Decree of GACC No. 79 [2014] Announcement of the People's Republic of China on Publication of Customs Testing Methodologies. (Links 5.11, 5.12, 5.13 and 5.14)

3.1 A Member may, upon request, grant an opportunity for a second test in case the first test result of a sample taken upon arrival of goods declared for importation shows an adverse finding.

Laws and Regulations

Customs may conduct second tests.

Article 11 of Decree of GACC No. 138 Administrative Measures of the People's Republic of China on Customs Test of Import and Export Goods provides, "for any of the following cases, customs may conduct a re-test of goods that have been tested:

- (1) further confirmation of certain properties of the tested goods is required, for failure to confirm the genuine properties of the goods at issue during the first test;
- (2) the goods are suspected of breaches of regulations on trafficking and thus require a re-test;
- (3) the consignor/consignee of import or export goods objects to the conclusion of a customs test, requests a second test and obtains consent from customs;
- (4) other scenarios deemed necessary by customs.

Re-test shall be processed pursuant to Articles 6 to Articles 10 of the Measures, and re-test personnel shall mark "Re-test" on the test record."
(Link 5.15)

Article 39, Chapter 8 "Re-test" of Work Regulations on Customs Testing provides, "where a consignor/consignee or the agent thereof has objections to the conclusion of the test, he or she may apply within 15 days starting from the date of publication of the conclusion to customs for a re-test, and explain the reasons thereof. Within 3 days from the date of receiving the application for re-test, the customs authority shall transfer Application Form of the People's Republic of China for Customs Testing of Import and Export Goods (Re-test) (for the format of the text, refer to Attachment 7) to the Customs Testing Center via the "China Customs Laboratory Information Management System". In cases of objections from the customs authority to the conclusion of the test, it may apply to the Customs Testing Center for re-test within 15 days since the date of receiving Letter of Test Result. The consignor/consignee or the agent thereof, and the customs authority may apply only once for re-test of the same good.

Article 40 Within 15 days since the date of receiving the application for re-test, the Customs Testing Center shall conduct re-test of the sample in question, issue Letter of Customs Test Result of the People's Republic of China of Import and Export Goods (Re-test) (for the format of the text, refer to Attachment 8), and publish the conclusion of the test according to provisions of Article 23 and Article 24 of this system. The testing personnel of the first test shall not undertake the re-test.

Article 41 An entrusted testing agency shall not undertake the re-test. In

cases where the consignor/consignee or the agent thereof or the customs authority has objections to the conclusion of the entrusted test, application may be filed to the Customs Testing Center for re-test according to provisions of Article 39, and the customs authority shall promptly send the sample that it keeps to the Customs Testing Center." (Link 5.16)

Article 5 of Measures on Re-test of Commodities for Importation or Exportation issued by former AQSIQ provides, "in cases where the inspection applicant has objections to the test result issued by the inspection and quarantine agency, he or she may apply to this agency or the superior agency thereof for re-test, or may apply to AQSIQ for re-test. The inspection and quarantine agency that handles re-test applications or AQSIQ shall be responsible for the implementation of the re-test." (Link 5.17)

General Comment

The regulations are clear, and the implementation is adequate.

3.2 A Member shall either publish, in a non-discriminatory and easily accessible manner, the name and address of any laboratory where the test can be carried out or provide this information to the importer when it is granted the opportunity provided under paragraph 3.1.

Implementation

The State has published the list of officially accredited laboratories and testing agencies; (Links 5.18, 5.19 and 5.20)

Customs published the list of testing centers under it. (Link 5.21)

Officially accredited inspection agencies have also been published in time. (Link 5.22)

General Comment

The implementation is adequate.

3.3 A Member shall consider the result of the second test, if any, conducted under paragraph 3.1, for the release and clearance of goods and, if appropriate, may accept the results of such test.

Laws and Regulations

As per regulations, both customs and Inspection and Quarantine authorities may accept the re-test result.

General Comment

The regulations are clear, and the implementation is adequate.

ARTICLE 6: DISCIPLINES ON FEES AND CHARGES IMPOSED ON OR IN CONNECTION WITH IMPORTATION AND EXPORTATION AND PENALTIES

General Comment

1. In recent years, customs and former AQSIQ have made efforts and achieved marked progress in terms of reducing the number of fees and charges and the publication of information thereof;
2. The relevant requirements of this provision have been relatively adequately implemented by China Customs;
3. The general feedback from the business community is that the scope of fees and charges of former Inspection and Quarantine authorities is narrowed;
4. The charges levied on public institutions by customs and former Inspection and Quarantine authorities and the service charges collected via third-party agencies affiliated to the above authorities were reduced.
5. Former China Inspection and Quarantine has stopped collecting entry-exit inspection and quarantine fees as of April 1, 2017. The entry-exit personnel, goods, transportation vehicles, containers and other statutory inspection and quarantine items accepted before April 1, 2017 will be charged in accordance with the original provisions, especially long-term business, such as the inspection of complete sets imported equipment, inspection and quarantine processing of imported seedlings etc..

1 General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation

1.1 The provisions of paragraph 1 shall apply to all fees and charges other than import and export duties and other than taxes within the purview of Article III of GATT 1994 imposed by Members on or in connection with the importation or exportation of goods.

1.2 Information on fees and charges shall be published in accordance with Article 1. This information shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made.

Implementation

Information related to fees and charges including the diversity, standards, bases and reasons thereof is published on the portal websites of China Customs and former AQSIQ. (Links 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7)

According to Notice of the Ministry of Finance No. 102 Notice on Cancelling and Suspending the Collection of Some Administrative Charges, the collection of the customs broker qualification examination fee shall be cancelled and the collection of the customs intellectual property rights filing fee shall be suspended. (Link 6.8)

On March 15, 2017, the Ministry of Finance and National Development and Reform Commission issued the Notice on Cleaning up and Standardizing a Batch of Policies on Administrative Charges (Notice of the Ministry of Finance No. 20 [2017]), the collection of inspection and quarantine fees for entry-exit personnel, goods, transportation vehicles, containers and other statutory inspection and quarantine items accepted will be stopped. (Link 6.9)

In 2018, Notice of General Office of the State Council on Forwarding the Opinions of the Ministry of Commerce and Other Departments on Expanding Imports to Promote the Balanced Development of Foreign Trade (Notice of General Office of the State Council No. 53 [2018]) requires strictly implementing the charging item publicity system, and cleaning up unreasonable import charges. (Link 6.10)

General Comment

The implementation is adequate.

1.3 An adequate time period shall be accorded between the publication of new or amended fees and charges and their entry into force, except in urgent circumstances. Such fees and charges shall not be applied until information on them has been published.

Implementation

The levying of such fees and charges by China's entry-exit administrators usually leaves a gap between the publication and the entry into force of such fees and charges, and information publication also precedes the application of the regulations. (Links 6.11, 6.12 and 6.13)

1.4 Each Member shall periodically review its fees and charges with a view to reducing their number and diversity, where practicable.

Implementation

Starting from 2008, Ministry of Finance, National Development and Reform Commission and China Customs canceled and suspended all administrative fees and charges relating to import and export collected by customs, including:

In 2008, Ministry of Finance and National Development and Reform Commission's Notice on Publishing the Cancellation and Termination of Collection of 100 Administrative Fees and Charges canceled the fees and charges levied for the cost of customs certificate and document for import and export of goods;

In 2012, Ministry of Finance and National Development and Reform Commission's Notice on Publishing the Cancellation and Exemption of Some Administrative Charges canceled the ATA document adjustment fee and goods, luggage and articles care fee levied by customs.

In 2012, Announcement of GACC No. 45 Several Measures of GACC on Promoting the Steady Growth of Foreign Trade provides for the cancellation of printing fee of the proof page of the paper declaration form for import and export goods (used for foreign exchange payment for import, and foreign exchange collection for export), printing fee of the tax drawback page of the export declaration form, declaration form barcode fee and customs regulatory fee; and provides for the acceleration of the cancellation of ATA document adjustment fee and goods, luggage, and articles care fee; Announcement of GACC No. 45 [2012] referenced Ministry of Finance's Notice on Cancelling and Exempting Relevant Administrative Charges

during Import and Export, which cancelled the customs regulatory fee and the inspection and quarantine fee for entry and exit;

In April 2015, GACC released Notice on Canceling Three Charges including Customs Advance Classification Service (Shu Cai Fa [2015] No. 86), requiring customs authorities across the country to cancel three operational service charges including customs advance classification service, paper and electronic Letter of Entrustment for Customs Declaration Brokerage, and safe product subsequent service (including re-issuance of card, alteration, extension and unlocking). (Links 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20 and 6.21)

According to Notice of GACC No. 1 [2016] Notice of the General Office of GACC on Forwarding Notice of the Ministry of Finance and National Development and Reform Commission on Regulating the Collection and Management of Fees for Delayed Declaration of Imported Goods, fees for delayed declaration of import goods shall be included in the penalty and confiscatory income. There are no administrative charges collected by customs now.

Former AQSIQ consolidated a multitude of fees and charges, and canceled all administrative charges. (Link 6.22)

At the same time, the preferential policies on administrative charges relating to inspection and quarantine have been implemented. (Link 6.23)

General Comment

The implementation is adequate.

2 Specific disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation

Fees and charges for customs processing:

(i) shall be limited in amount to the approximate cost of the services rendered on or in connection with the specific import or export operation in question; and

(ii) are not required to be linked to a specific import or export operation provided they

are levied for services that are closely connected to the customs processing of goods.

Implementation

Currently, China Customs only levies charges for delayed declaration and delayed payment; collection of IPR recordation fee has been suspended.

Since March 2016, the pilot program has been carried out to exempt enterprises with no problems found in the inspection have been from the inspection fee which shall be paid by China Customs. (Link 6.24)

Currently China Customs levies no administrative charges.

Former AQSIQ cancelled the collection of charges and meanwhile implemented the preferential policies on administrative charges relating to inspection and quarantine.

General Comment

Customs administrative charges have been largely removed, charges levied by public institutions have also been reduced or canceled. Enterprises do not voice any negative opinions about the charges imposed by customs.

Former Inspection and Quarantine authorities made significant headway in reducing fees and charges.

Recommendations

After the integration of the inspection and quarantine administration duties and personnel into GACC, it's suggested the collection of fees and charges by former Inspection and Quarantine authorities should be further systematized and regulated.

3 Penalty Disciplines

3.1 For the purpose of paragraph 3, the term "penalties" shall mean those imposed by a Member's customs administration for a breach of the Member's customs laws, regulations, or procedural requirements.

3.2 Each Member shall ensure that penalties for a breach of a customs law, regulation, or procedural requirement are imposed only on the person(s) responsible for the breach under its laws.

General Comment

The regulations are clear, and the implementation is adequate. (Links 6.25 and 6.26)

Recommendations

Customs should stipulate the responsible persons of all kinds of illegal acts through legislation, and establish the system of "whoever violates the rules takes legal responsibility" according to the principle of fault liability.

3.3 The penalty imposed shall depend on the facts and circumstances of the case and shall be commensurate with the degree and severity of the breach.

General Comment

The regulations are clear, and the implementation is adequate.

Recommendations

1. Customs and former Inspection and Quarantine authorities have developed the internal administrative interpretations of administrative laws and regulations (e.g. customs standards for the extent of administrative penalties) for officers in law enforcement. It is suggested that these internal explanations related to the extent of penalties should be disclosed to the public to increase the transparency of law enforcement.
2. Publish administrative penalty cases after appropriate treatment measures.

3.4 Each Member shall ensure that it maintains measures to avoid:

(a) conflicts of interest in the assessment and collection of penalties and duties; and

(b) creating an incentive for the assessment or collection of a penalty that is inconsistent with paragraph 3.3.

Rules and Regulations

It's stipulated in Article 63 of Implementation Regulations of the People's Republic of China on Customs Administrative Penalty, "The smuggled

goods and articles, illegal income, smuggled transportation tools, special equipment confiscated by the People's court, or the goods, articles, illegal income, smuggled transportation tools, special equipment the customs has decided to confiscate shall all be handled by the customs according to law. The proceeds and the fines confiscated by the customs shall be all turned over to the central treasury."

General Comment

The implementation is adequate.

3.5 Each Member shall ensure that when a penalty is imposed for a breach of customs laws, regulations, or procedural requirements, an explanation in writing is provided to the person(s) upon whom the penalty is imposed specifying the nature of the breach and the applicable law, regulation or procedure under which the amount or range of penalty for the breach has been prescribed.

Laws and Regulations

Decree of the State Council No. 420 Implementation Rules of the People's Republic of China on Customs Administrative Penalty has set out explicit provisions regarding penalty procedures. (Link 6.27)

General Comment

The system is sound, and the implementation is adequate.

3.6 When a person voluntarily discloses to a Member's customs administration the circumstances of a breach of a customs law, regulation, or procedural requirement prior to the discovery of the breach by the customs administration, the Member is encouraged to, where appropriate, consider this fact as a potential mitigating factor when establishing a penalty for that person.

Laws and Regulations

On 19 June, 2016, Decree of the State Council No. 670 published the revised Regulations of the People's Republic of China on Customs Audit. Article 26 therein provides, "in cases where an enterprise or entity directly

connected with goods for importation and exportation reports to customs of its breach of customs regulatory requirements and accepts the treatment of the customs authority, the administrative penalty shall be mitigated or reduced." (Link 6.28)

Announcement of GACC No. 82 [2014] on Releasing the Standards on Customs Accreditation of Enterprises provides, "in cases where non-brokerage enterprises conduct self-examination, detect breaches and report to customs, the warnings issued by customs and fines below 30,000 RMB shall not be included in the total number of breaches; in cases where brokerages conduct self-examination, detect breaches and report to customs, the warnings issued by customs and fines below 10,000 RMB shall not be included in the total number of breaches." (Link 6.29)

On September 22, 2016, GACC issued Decree No. 230 Measures for the Implementation of the Customs Inspection Regulations of the People's Republic of China in Chapter 4 of which the active disclosure system is stipulated in detail. (Link 6.30)

Starting from July and August 2014, GACC began to roll out enterprise self-discipline management pilots at 10 customs authorities directly under it (each such customs authority then chooses some affiliated customs authorities), and expanded this pilot to Fujian, Tianjin and Guangdong Free Trade Zone. For instance, Announcement on Conducting Enterprise Self-discipline Management Pilot, Notice of Shanghai Customs on Releasing Practical Guide on Enterprise Self-Discipline Management, Announcement of Shanghai Customs on Implementing Self-Discipline Management for Enterprises within China's (Shanghai) Free Trade Zone, and Several Measures of GACC on Supporting and Promoting the Construction and Development of China's (Fujian) (Tianjin) (Guangdong) Free Trade Zones. (Link 6.31, 6.32, 6.33, and 6.34)

On the basis of the enterprise self-discipline management pilot program conducted in 2014, GACC launched a pilot program in 12 customs directly under it including Beijing Customs in 2015. In 2016, GACC added 8 customs including Guangzhou Customs as "voluntary disclosure" pilot units. (Link 6.35)

Implementation

China Customs is gradually promoting pilots on voluntary disclosure. Starting from July and August 2014, GACC began to roll out enterprise self-discipline management pilots at 10 customs authorities directly under it (each such customs authority then chooses some affiliated customs authorities), and expanded this pilot to Fujian, Tianjin and Guangdong Free Trade Zone. For instance, Announcement on Conducting Enterprise Self-discipline Management Pilot, Notice of Shanghai Customs on Releasing Practical Guide on Enterprise Self-Discipline Management, Announcement of Shanghai Customs on Implementing Self-Discipline Management for Enterprises within China's (Shanghai) Free Trade Zone, and Several Measures of GACC on Supporting and Promoting the Construction and Development of China's (Fujian) (Tianjin) (Guangdong) Free Trade Zones.

General Comment

Pilots have commenced, and are yet to be fully implemented.

Recommendations

Establish and comprehensively implement voluntary disclosure-related systems as early as possible.

3.7 The provisions of this paragraph shall apply to the penalties on traffic in transit referred to in paragraph 3.1.

Implementation

Implementation rules on customs administrative penalty and former regulations on administrative penalty procedures for entry-exit inspection and quarantine also apply to goods in transit. (Links 6.36 and 6.37)

General Comment

The implementation is adequate.

ARTICLE 7: RELEASE AND CLEARANCE OF GOODS

1 Pre-arrival Processing

1.1 Each Member shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests, in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival.

Laws and Regulations

China Customs enforced Decree of GACC No. 172 Administrative Measures of the People's Republic of China on Manifests of Inbound and Outbound Means of Transport on 1 January, 2009. Article 9 therein provides, "the manifest transferor shall transfer the original manifest data to customs prior to the arrival of inbound goods and items at the destination port. After customs receives the main data of the original manifest, the consignee and entrusted customs declarant may initiate the declaration procedures to customs for goods and items." (Link 7.1)

On December 20, 2017, GACC issued Decree No. 235 Decree on the Promulgation of the Decision of GACC on the Amendment of Some Regulations. Article 20 makes the following amendments to the Administrative Measures of the People's Republic of China on Manifests of Inbound and Outbound Means of Transport (Decree No. 172 of GACC): iv. Amend Article 18 to, "After the tally report of the goods and articles diverted from the port is submitted, the Customs can go through the procedures for inspection and release of the goods and articles". This article cancels the requirement that procedures for inspection and release of imported goods, articles and allocated goods and articles should be gone through only after the tally report is submitted. (Link 7.2)

On January 31, 2018, the Department of Supervision of GACC issued Supervision Notice No. 45 [2018] Notice on Amendments to the Rules for the Release of Customs Declaration Form of Imported Goods in which the

“normal tally” sign of the original manifest is adjusted to the “confirmed report” sign in the release of customs declaration form of imported goods. (Link 7.3)

On 22 October 2014, GACC released Announcement No. 74 Announcement on Clarifying the Administrative Requirements on Advance Declaration of Import and Export Goods. Article 1 therein provides, "in cases where the consignor or consignee or the entrusted customs broker declares in advance, he or she shall first obtain data of the bill of lading or the manifest." (Link 7.4)

Paragraph (2) of Announcement of GACC No. 74 [2014] Announcement on Clarifying the Administrative Requirements on Advance Declaration of Import and Export Goods provides, 'in cases where the consignor or consignee or the entrusted customs broker declares in advance, he or she shall first obtain data of the bill of lading or the manifest.' Advance declaration of import goods to customs shall be conducted after the departure of the inbound transport vehicle carrying the goods in question and prior to the arrival thereof at the customs regulatory premises; advance declaration of export goods shall be conducted within the three days prior to the arrival of the goods in question at the customs regulatory premises." (Link 7.5)

Some local customs also began to issue specific details on the operation of advance declaration within their jurisdiction on the basis Announcement of GACC No., for example, Shanghai Customs and Changsha Customs, but they are mainly implemented in the field of export. (Link 7.6 and 7.7)

On August 9, 2018, Xiamen Customs issued an article entitled Practical Tips : Matters Needing Attention in Advance Declaration of Imported Goods through its WeChat public account. For the first time, the key points and precautions in procedures for advance declaration of goods imported by sea was clearly explained. (Link 7.8)

On August 23, 2018, Shanghai Customs published an article entitled Attention! Mode of Advance Declaration of Imported Goods through its WeChat public account, clearly analyzing the advance declaration of imported goods in detail. (Link 7.9)

On August 31, 2018, Shanghai Port Office issued the Notice on Shanghai Port Comprehensively Promoting the Speeding up of Goods Declaration and Reducing the Overall Clearance Time of Imported Goods (No. 50 of Shanghai Port Administration Notice [2018]), proposing “comprehensively promoting ‘advance declaration’ of imported goods to all sea and air cargo (including allocated cargo), all credit enterprises and all types of customs clearance”. (Link 7.10)

Implementation

The system is complete, but according to research, it is not fully implemented. The main obstacles are manifest declaration enterprises' work habits and worries about the possible penalties given by the customs due to errors in the forms and documents related to advance declaration. The premise for advance declaration is the advance transmission of manifest data. It requires the goods owner to strengthen information communication with the customs broker, shipping agent or shipping company (by sea), airliner or ground agent (by air). In addition, the customs should strengthen the publicity to manifest declaration enterprises and fault tolerance mechanism, encourage enterprises to send manifest data in advance to ensure the real implementation of advance declaration. For imported goods, implement Article 6 of Announcement No. 74 “Imported goods of advance declaration should be applicable to the tariff and exchange rate implemented on the date of the entry declaration of the transportation vehicles used to carry the goods.” Accordingly, enterprises may face the tariff and exchange rate changes at the time of the entry declaration of the transportation vehicles and go through complex operations of tax refunding according to the actual situation. In addition, advance declaration may result in modification of customs declarations due to changes in actual arrival data (such as import date). At present, Customs has carried out paperless operation for the modification and cancellation of customs declarations, but at a low speed. As a result, enterprises do not dare to “declare ahead of time”, because “advance declaration” is likely to lead to inaccurate data which require the modification of the customs declarations, resulting in greater customs clearance delays.

Recommendations

GACC conducted special studies on the issue of modifying and cancelling customs declarations as well as specific analysis and classification, taking the causes into account, reputation of enterprises, types and nature of goods and other factors, simplified the approval procedures for modifying and cancelling customs declarations in accordance with the principle of simple handling of simple problems, overcame obstacles, thus promoting the full implementation of the advance declaration system.

1.2 Each Member shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents.

Implementation

China Customs has put in place a comprehensive automatic customs clearance system. Manifests and declaration documents of import and export goods may all be submitted in electronic format.

In 2018, China Customs also promoted the computerization of some documents after the integration of inspection and quarantine duties and personnel into GACC. (Link 7.11)

General Comment

The implementation is adequate.

2 Electronic Payment

Each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees, and charges collected by customs incurred upon importation and exportation.

Laws and Regulations

In March 2011, China Customs released Announcement No. 17 Announcement on Conducting Electronic Payment Operations for Customs Duties, specifying that a third-party payment system will undertake the payment operation for customs duties at the enterprise end. (Link 7.12)

On January 14, 2014, GACC issued Announcement No. 6 of 2014 on Filing of Electronic Payment of Vessel Tonnage Tax for Inbound and Outbound International Shipping Agents, in which it is made clear that vessel tonnage tax can be paid electronically (e-port). (Link 7.13)

On September 19, 2017, GACC issued Announcement No. 44 which simplifies the customs tax electronic payment process, adjusts the tax deduction steps, cancels the Customs' on-spot operation of triggering tax deduction by printing tax payment book which is changed to the customs using the business system to automatically send the tax payment deduction notice following the successful tax withholding. The system will automatically release those with successful tax withholding and whose declaration meeting the release conditions. It further improves the customs clearance efficiency and reduces enterprises' clearance cost. (Link 7.14) On January 16, 2018, GACC promulgated the Announcement No. 10 on the Pilot Printing Reform of Customs Payment Form, and decided to carry out the Pilot Printing Reform of Customs Payment Form in Shanghai Customs and Nanjing Customs from January 19, 2018. Enterprises can use the "Internet + Customs" Integrated Online Service Platform. (<http://online.customs.gov.cn>) to print the Customs Payment Form. (Link 7.15).

On June 27, 2018, GACC issued No. 74 Announcement on Promoting a New Generation of Customs Electronic Payment System for Taxes and Fees, and decided to promote the new generation of electronic payment system for customs duties and fees nationwide from July 1, 2018. (Link 7.16)

On July 24, 2018, GACC, the Ministry of Finance, State Administration of Taxation and the National Archives Administration jointly issued the Announcement No. 100 of 2018 on the Pilot Printing Reform of the Customs Payment Form, and decided to expand the scope of the pilot printing reform of the Customs Payment Form from August 31, 2018. Enterprises can download the electronic Customs Payment Form through "I want to search" and other functions on the Internet + Customs integrated online service platform. (Link 7.17)

Implementation

The taxes that are electronicized by customs include: import and export

duties, anti-dumping tax, anti-subsidy tax, taxes collected during import on behalf of other authorities, interest on delayed tax, charge on delayed payment, surety, charge on delayed declaration, and fund of disposal of imported waste electric and electronic products.

According to preliminary estimations, electronically paid customs taxes already account for more than 95% against the total amount of tax payment. (Links 7.18 and 7.19)

As of now, third-party payment platforms that have been approved include Shanghai Orient Electronic Payment Co., Ltd; Shanghai ChinaPay Electronic Payment Co., Ltd; Tianjin ReaPal Electronic Payment Co., Ltd.; and Clearing Center for City Commercial Banks. On August 1, 2016, the largest tax payment platform www.easipay.net announced to stop charging and tax payment ushered in the free-charge era. (Link 7.20)

Since July 1, 2018, China Customs has promoted a new generation of electronic payment system for customs duties and fees throughout the country. The system realizes the electronic transfer of customs tax and fee information among customs, national treasury and commercial banks through TIPS, thus improving the efficiency of electronic payment of taxes for enterprises. (Link 7.21)

Recommendations

The pilot reform of paperless tax forms has been carried out in Shanghai Customs and Nanjing Customs since January 19, 2018, and the scope of the pilot reform has been expanded since August 31, 2018. The scope of the business sites involved in the pilot reform has been determined by the customs directly under GACC. It is suggested that the customs should realize the paperless tax forms nationwide as soon as possible on the basis of the pilot reform, so as to improve the efficiency of customs clearance and reduce the cost of customs clearance.

3 Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges

General Comment

Fully implemented. With the implementation of national customs integration

across the country on July 1, 2017, "one declaration and step-by-step disposal" has been implemented and the vast majority of the operations are in compliance with customs compliance requirements. Import and export goods with the timely tax payment or full guarantee can be automatically released. Other goods relating to collection of customs duties in the system can be picked up in advance after the submission of guarantee to fully realize the release of goods and final determination of customs duties, taxes, fees and charges.

Recommendations

1. Offer guarantee-free inspection for businesses that have been accredited as high-level AEOs, with a view to incentivizing enterprises to implement the AEO system;
2. Allow the implementation of comprehensive guarantees on an enterprise by enterprise basis; cancel applications for guarantee on a consignment by consignment basis;
3. Allow a group company, under a customs authority, to implement comprehensive guarantees for its subordinate enterprises;
4. Allow a financial institution to provide comprehensive guarantees for any enterprise;
5. Specify the operational procedures for guarantee application and approval, and ensure that import and export guarantee applications that meet certain standards may secure approval smoothly.

3.1 Each Member shall adopt or maintain procedures allowing the release of goods prior to the final determination of customs duties, taxes, fees, and charges, if such a determination is not done prior to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met.

Implementation

Goods may be released prior to tax determination and collection via guarantees. The Measures for Credit Management of Customs Enterprises of the People's Republic of China promulgated in March 2018 stipulate that "the amount of guarantees collected by the customs may be lower than the

total amount of taxes that the customs may bear or the amount stipulated by GACC”, and that “the application for exemption from guarantees from the customs” may be applied to the enterprises accredited as high-level AEOs. However, given that this system does not have corresponding implementation procedures, and implementation levels vary across ports, in general, only a very limited number of enterprises have benefited. (Link 7.22)

In August 2018, the Customs Department of GACC sent an urgent letter to the Property Insurance Supervision Department of the China Banking Insurance Regulatory Commission to seek the opinions on the “pilot reform of the tariff guarantee insurance”. GACC requested that the trial run be carried out at 10 customs directly under GACC through 3 insurance companies for two months from September 1 to October 31. The pilot program of China’s “BOND” policy began to be officially implemented and China customs began to use market-oriented, commercial means to provide tax guarantees, improving convenience and efficiency, while greatly reducing the capital occupation cost of enterprises. (Link 7.23)

General Comment

Preliminary implementation and gradual improvement.

3.2 As a condition for such release, a Member may require:

(a) payment of customs duties, taxes, fees, and charges determined prior to or upon arrival of goods and a guarantee for any amount not yet determined in the form of a surety, a deposit, or another appropriate instrument provided for in its laws and regulations; or

Laws and Regulations

Article 4 of Decree of the State Council No. 581 Regulations of the People's Republic of China on Guarantees for Customs Affairs provides, "for any of the following scenarios, the person may apply to customs for the provision of guarantee prior to completion of customs formalities, requesting advance release of goods:

(1) Classification of goods, customs value and place of origin of the import

- and export goods are yet to be determined;
- (2) Valid declaration documentation is yet to be provided;
 - (3) Tax has not been paid within the tax payment period;
 - (4) Delayed declaration fee is yet to be paid;
 - (5) Other customs formalities are yet to be completed." (Link 7.24)

Article 49 of Decree of GACC No. 213 Measures of the People's Republic of China on Customs Review and Determination of Customs Value of Import and Export Goods, which entered into force in 2014, provides, "while customs review and determination is being conducted of the customs value of import and export goods, the taxpayer may pick up goods in advance, after providing guarantee to customs according to law."(Link 7.25) At the institutional level, via provision of guarantee, customs may release goods prior to determination and payment of tax and charges for the goods at issue.

Implementation

In practice, the current guarantee-based release system is yet to be detailed in terms of guarantee forms, guarantee applications, and approval procedures; differences exist regarding customs implementation and enforcement levels at various ports, and the level of facilitation afforded falls short of expectations of the business community.

(b) a guarantee in the form of a surety, a deposit, or another appropriate instrument provided for in its laws and regulations.

Laws and Regulations

Article 78 of Decree of GACC No. 124 Administrative Measures of the People's Republic of China on Tax Levied on Import and Export Goods provides, "except as otherwise provided, the tax guarantee period usually shall not be longer than six months, and under exceptional circumstances, an extension, as appropriate, may be given after permission is obtained from the director, or the person it authorizes, of the customs authority directly under GACC.

Tax guarantee usually shall be in forms of surety, or letter of guarantee by

banks or non-banking financial institutions, except as otherwise provided."
(Link 7.26)

General Comment

It has been fully implemented by China Customs,

3.3 Such guarantee shall not be greater than the amount the Member requires to ensure payment of customs duties, taxes, fees, and charges ultimately due for the goods covered by the guarantee.

Laws and Regulations

Article 14 of Regulations of the People's Republic of China on Guarantee for Customs Affairs provides, "guarantee provided by the party shall be commensurate with his/her due legal obligations, and except for scenarios as provided for in Paragraph 2, Article 7 of the Regulations, the amount of guarantee shall be determined pursuant to the following standards:

(1) the amount of guarantee provided for advance release of goods shall not exceed the maximum tax amount that may be borne;" (Link 7.27)

General Comment

This provision has been adequately implemented by China Customs.

3.4 In cases where an offence requiring imposition of monetary penalties or fines has been detected, a guarantee may be required for the penalties and fines that may be imposed.

Laws and Regulations

Article 39 of Implementation Regulations of the People's Republic of China on Customs Administrative Penalty provides, "If the goods, articles or transport vehicles suspected illegal cannot be detained, the party concerned or the person responsible the conveyance shall provide the equivalent guarantee to the customs, and the customs may detain the equivalent property of the party in case of failure to provide equivalent guarantee."
(Link 7.28)

Decree of GACC No. 159 Procedures for the Handling of Administrative

Penalty Cases by the Customs of the People's Republic of China, "If the goods, articles or transport vehicles suspected illegal cannot be detained, when the party concerned or the person responsible the conveyance provides the guarantee to the customs, the personnel handling the case shall make the guarantee receipt voucher and send it to the party concerned or the person responsible the conveyance. The personnel handling the case, the party concerned or the person responsible the conveyance shall sign or stamp the seal on the guarantee receipt voucher." (Link 7.29)

General Comment

The implementation is adequate.

3.5 The guarantee as set out in paragraphs 3.2 and 3.4 shall be discharged when it is no longer required.

Laws and Regulations

Article 20 of Regulations of the People's Republic of China on Guarantee for Customs Affairs provides, "for any of the following cases, customs shall notify the party in writing to complete procedures for the return of guarantee assets and rights:

- (1) the party has fulfilled relevant legal obligations;
- (2) the party is no longer engaged in a particular customs business;
- (3) an excess amount exists of the guarantee asset and right after being used to pay the amount due by customs;
- (4) other scenarios where such assets and rights need to be returned." (Link 7.30)

Article 51 of Procedures for the Handling of Administrative Penalty Cases by the Customs of the People's Republic of China provides, "In releasing the guarantee according to law, the customs shall make the guarantee release notice and send it to the party concerned or the person in charge of transportation." (Link 7.31)

General Comment

The implementation is adequate.

3.6 Nothing in these provisions shall affect the right of a Member to examine, detain, seize or confiscate or deal with the goods in any manner not otherwise inconsistent with the Member's WTO rights and obligations.

Laws and Regulations

Article 18 of Regulations of the People's Republic of China on Guarantee for Customs Affairs provides, "in cases where the guaranteed person fails to fulfill relevant legal obligations in a time-bound manner, customs may use the guarantee asset and right to pay the amount due. In cases where the party provides guarantee in the form of letter of guarantee, customs may directly require the guarantor who assumes joint liability to fulfill guarantee obligations.

Where the guarantor has fulfilled the guarantee responsibility, the guaranteed person is not thus freed of the obligation to complete relevant customs formalities. Customs shall process relevant customs formalities for the guaranteed person in a timely manner."

General Comment

The implementation is adequate.

4 Risk Management

4.1 Each Member shall, to the extent possible, adopt or maintain a risk management system for customs control.

Laws and Regulations

In April 2004, China Customs officially initiated the implementation of Strategic Plan on the Second Step of Development of the Modern Customs System 2004-2010, which puts the establishment and improvement of risk management mechanisms at its core, and aims to build smart customs with "sharp ears and clear eyes". Reforms and developments at various fronts continue to secure new achievements. (Link 7.32)

Decree of the State Council No. 670 revised Article 9 of Regulations of the People's Republic of China on Customs Audit as "customs shall determine

the focus of customs audits as per customs regulatory requirements, and according to the import and export credit and risks of enterprises and entities in direct connection with import and export goods as well as the specific circumstances of the import and export goods." (Link 7.33)

On June 28, 2017, It's mentioned in Announcement of GACC No. 25 Announcement on Further Promoting the National Customs Clearance Integration Reform, "the national customs risk prevention and control center and tax collection and management center shall be used". China Customs has also conducted risk management through the three risk prevention and control centers set up in Shanghai, Qingdao and Huangpu and three tax collection and management centers in Shanghai, Guangzhou and Beijing-Tianjin. (Link 7.34)

Implementation

In the clearance integration mode, the customs implements safe access, tax collection risk comprehensive identification and classification of the customs declaration data of the import and export data through the automatic information system and manual review and takes corresponding management measures based on it.

General Comment

The implementation is adequate, but the risk management ability needs to be further strengthened.

It can be seen from the "Pre-scheduled distribution control inspection seizure rate" published in the column "information disclosure > double randomization and one disclosure > general supervision of import and export goods (goods)" on the official website of GACC that the seizure rate of such inspections is low, with an average of 9.6% in 2017 and only 5.72% in January-July 2018. This reflects to some extent the overall risk management ability of Chinese customs is weak. (Link 7.35)

After the implementation of clearance integration, the unified risk management organization structure and risk parameter setting will be implemented by China Customs, which will help China Customs to improve and strengthen its own risk management ability. After the integration of

entry-exit inspection and quarantine administration duties and personnel into GACC, it is urgent for China Customs to clarify and integrate the relevant risk management system of the original inspection and quarantine, and establish a unified and efficient modern customs risk management system. China Customs still has a long way to go.

4.2 Each Member shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or a disguised restriction on international trade.

Implementation

No arbitrary or unreasonable discrimination, or disguised restraints, have been detected.

4.3 Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high-risk consignments and expedite the release of low-risk consignments. A Member also may select, on a random basis, consignments for such controls as part of its risk management.

Implementation

After the national clearance integration, China Customs employed systematic big data analysis on enterprises, goods, importing countries, tax number, trade regulation, etc., and used the national big data analysis system, differentiated goods of varying risk levels by setting the different risk parameters, adopted different management measures respectively, thus speeding up the release rate of goods.

General Comment

Preliminary implementation.

4.4 Each Member shall base risk management on an assessment of risk through appropriate selectivity criteria. Such selectivity criteria may include, inter alia, the Harmonized System code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, compliance record of traders, and type of means of transport.

General Comment

The implementation has been largely completed.

5 Post-clearance Audit

5.1 With a view to expediting the release of goods, each Member shall adopt or maintain postclearance audit to ensure compliance with customs and other related laws and regulations.

Laws and Regulations

On 17 June, 2016, Decree of the State Council No. 670 (Decision on Amending Regulations of the People's Republic of China on Customs Audit)

On 28 August, 2005, GACC released Decree No. 79 Implementation Measures on Regulations of the People's Republic of China on Customs Audit. (Link 7.36)

On September 26, 2016, Decree of GACC No. 230 issued measures for implementing Regulations of the People's Republic of China on Customs Audit which shall come into force as of November 1, 2016 (Link 7.37)

With the implementation of the national customs clearance integration, GACC issued Announcement No. 28 on Carrying out the Follow-up Verification Work which makes requirements for the verification after the release of goods. (Link 7.38)

General Comment

The implementation is adequate.

5.2 Each Member shall select a person or a consignment for post-clearance audit in a risk-based manner, which may include appropriate selectivity criteria. Each Member shall conduct postclearance audits in a transparent manner. Where the person is involved in the audit process and conclusive results have been achieved the Member shall, without delay, notify the person whose record is audited of the results, the person's rights and obligations, and the reasons for the results.

Laws and Regulations

Customs Audit Regulations and Implementation Measures on Audit

Regulations have provided for the relevant procedures of customs audit, including advance notification, subsequent issuance of Customs Audit Conclusion, etc.

Implementation

Certain enterprises respond that customs audit time limits are unpredictable, and a single audit may take, on-and-off, up to several months or even a year, causing difficulties for enterprises to co-operate with customs audit efforts.

General Comment

The implementation is largely completed, and there is still room for improvement.

Recommendations

Formulate procedural requirements regarding the time limits of audits, thereby improving audit efficiency and facilitating the cooperation of enterprises.

5.3 The information obtained in post-clearance audit may be used in further administrative or judicial proceedings.

General Comment

The implementation is adequate.

5.4 Members shall, wherever practicable, use the result of post-clearance audit in applying risk management.

General Comment

The implementation is adequate.

6 Establishment and Publication of Average Release Times

Laws and Regulations

Article 18 of the State Council's Reform Plan on Promoting the

Development of Big Customs Clearance via Implementing Mutual Information Exchange, Mutual Regulatory Recognition and Mutual Law Enforcement Assistance provides, "establish an evaluation system of the import and export ports" release time of goods, uniformly evaluate and publish the average release efficiency of ports across the country." (Link 7.39)

On November 25, 2016, GACC issued Redefine "integrated clearance time" and "customs clearance time" on its official information platform "Customs Publication" in which It's pointed out, "the Statistics Department of GACC has redefined China's import and export goods release time based on the statistical methods recommended by WTO and China's actual situation. Overall clearance time and customs clearance time are defined and the clearance time is defined in detail. In the future China Customs will release relevant data under the TF topic of WTO and WC to apply it to the evaluation of cooperation results between trade partner countries in trade facilitation more widely." It means China Customs is making efforts towards "publishing average release time". (Link 7.40)

Implementation

Partially implemented.

6.1 Members are encouraged to measure and publish their average release time of goods periodically and in a consistent manner, using tools such as, inter alia, the Time Release Study of the World Customs Organization (referred to in this Agreement as the "WCO").

General Comment

Partially implemented. GACC published "Redefine overall clearance time and customs clearance time" on its WeChat public account "Customs Publication" in which It's pointed out the Statistics Department of GACC developed Study Report on China Customs' Import and Export Goods Clearance Time between 2011 and 2015 in which It's mentioned the import goods clearance time at the ports was reduced from 48.5 hours in 2011 to 28.9 hours in 2015, down by 40.4%; the contribution rate to the integrated clearance efficiency of import goods reached 87.7%; the export goods

customs clearance time was reduced from 6.5 hours in 2011 to 2.5 hours in 2015, down 61.5%.

In addition, on July 18, 2017, People's Daily published "Clearance Time for Export Goods is Reduced to 1.2 Hours" in which It's mentioned, "The average import clearance time in May was 19.4 hours and the average export clearance time was 1.2 hours." (Link 7.41)

On December 18, 2017, China Customs announced on its official website the national average customs clearance time from January to November, 2017 was 16.7 hours for imported customs clearance, 33.6% shorter than that in the whole year of 2016; and 1.13 hours for export goods, down 37%. (Link 7.42)

According to official data, customs clearance time for imported goods in 2017 was 15.9 hours, 9.2 hours less than that in the previous year, down 36.7%; customs clearance time for export goods was 1.1 hours, 0.7 hours less than that in the previous year, down 38.9. (Link 7.43)

Although China Customs has not regularly announced the average clearance time of goods, but the above disclosed data has been a big step forward. As China Customs put it, "Due to the large number of ports and complex relations, the overall customs clearance time is still significantly longer than developed countries. In addition, affected by the objective factors, the customs clearance efficiency of the major ports in China varies greatly", and the customs can only affect the customs clearance time. The overall clearance time (i.e., the release time of WCO) depends on the top-level design, and the overall process optimization and integration of the port-related units. China Customs should optimize the relevant procedures after the integration of entry-exit inspection and quarantine administration duties and personnel into GACC, and further reduce the customs clearance time.

6.2 Members are encouraged to share with the Committee their experiences in measuring average release times, including methodologies used, bottlenecks identified, and any resulting effects on efficiency.

General Comment

Partially implemented. It is mentioned in "Redefine overall clearance time

and customs clearance time".

7 Trade Facilitation Measures for Authorized Operators

Laws and Regulations

In 2018, China Customs announced the implementation of Decree of GACC No. 237 Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit and Announcement No. 32 of 2018 on Implementation of Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit and Relevant Matching Systems. It is clearly stipulated that Announcement No. 82 Standards on Customs Accreditation of Enterprises will continue to be effective as a matching document for the implementation of Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit. (Link 7.44, 7.45 and 7.46)

General Comment

The implementation is adequate. With the integration of the original entry-exit inspection and quarantine administration duties and personnel into GACC on April 20, 2018, the credit management measures of the original inspection and quarantine system for enterprises also need to be clarified and merged into China customs' credit management measures as soon as possible. The original inspection and quarantine system had strong arbitrariness and inadequate openness in the credit management of enterprises. It is also a big challenge for China customs to integrate them effectively. (Link 7.47, 7.48, 7.49 and 7.50)

7.1 Each Member shall provide additional trade facilitation measures related to import, export, or transit formalities and procedures, pursuant to paragraph 7.3, to operators who meet specified criteria, hereinafter called authorized operators. Alternatively, a Member may offer such trade facilitation measures through customs procedures generally available to all operators and is not required to establish a separate scheme.

Laws and Regulations

Article 23, Decree of GACC No. 237 Provisional Measures of the People's

Republic of China on Customs Administration of Enterprise Credit provides, "the following management principles and measures apply to generally accredited enterprises:

- (1) an average rate of inspection of import and export goods is less than 50% of the average inspection rate of generally accredited enterprises;
- (2) prioritized processing of customs clearance formalities of import and export goods;
- (3) the amount of guarantees collected by the Customs may be less than the total amount of taxes it may bear or the amount specified by GACC;
- (4) other management measures as provided for by GACC.

Article 24 For enterprises with high-level accreditations, apart from the application of management principles and measures for generally accredited enterprises, the following management measures also apply:

- (1) an average rate of inspection of import and export goods is less than 20% of the average inspection rate of generally accredited enterprises;;
- (2) apply to customs for exemption from guarantee;
- (3) reduce the frequency of inspection and verification of enterprises;
- (4) customs declaration can be made before the goods are delivered to the customs control area.
- (5) customs set up coordinators for enterprises;
- (6) customs clearance facilitation measures in countries or regions covered by mutual recognition of AEO.
- (7) trustworthy joint incentives implemented by relevant national departments;
- (8) priority for customs clearance after the resumption of international trade due to force majeure;
- (9) other administrative measures stipulated by the General Administration of customs."

General Comment

The implementation is relatively adequate. The original inspection and quarantine-related facilitation measures should be as soon as possible clarified and integrated into the relevant customs system and policy arrangements.

7.2 The specified criteria to qualify as an authorized operator shall be related to compliance, or the risk of non-compliance, with requirements specified in a Member's laws, regulations or procedures.

(a) Such criteria, which shall be published, may include:

Laws and Regulations

Standards on Customs Accreditation of Enterprises that has been published contains the above content.

General Comment

The implementation is adequate.

(i) an appropriate record of compliance with customs and other related laws and regulations;

Laws and Regulations

Article 3 of Standards on Customs Accreditation of Enterprises sets out clear requirements on the four aspects of "compliance with laws and regulations, regulations on import and export business, compliance with customs administrative requirements, no previous adverse records".

General Comment

The implementation is adequate.

(ii) a system of managing records to allow for necessary internal controls;

Laws and Regulations

Article 1 of Standards on Customs Accreditation of Enterprises specifies requirements of the four aspects of "control of the organization institution, control of the import and export business, internal auditing, and information system control".

General Comment

The implementation is adequate.

(iii) financial solvency, including, where appropriate, provision of a sufficient security or guarantee; and

Laws and Regulations

Both the general and high-level enterprise accreditation standards contained within Standards on Customs Accreditation of Enterprises have provided for the solvency capacity and tax payment capacity of enterprises:

Solvency capacity: (1) the quick ratio shall be within a safe or normal range.
(2) the asset/liability ratio shall be within a safe or normal range.

Tax payment capacity: for productive consignors/consignees of import and export goods, the net value thereof of fixed assets by the end of the preceding month shall not be lower than the maximum of single tax payment to customs within the last three years. For non-productive consignors/consignees of import and export goods, the net operational cash flows of the preceding year shall not be negative.

General Comment

The implementation is adequate.

(iv) supply chain security.

Laws and Regulations

Article 24 "Safety of Business Partners" and Article 25 "Safety of Goods" of the standards on general enterprise accreditation both contain such requirements. Article 26 "Safety of Personnel", Article 27 "Safety of Business Partners", and Article 28 "Safety of Goods" of the standards on high-level enterprise accreditation all contain similar requirements.

General Comment

The implementation is adequate.

(b) Such criteria shall not:

(i) be designed or applied so as to afford or create arbitrary or unjustifiable

discrimination between operators where the same conditions prevail; and

General Comment

Enterprises with the same level of creditworthiness are subject to the same customs administrative measures, therefore China Customs is not discriminatory in this regard.

(ii) to the extent possible, restrict the participation of small and medium-sized enterprises.

Laws and Regulations

Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit makes no restrictions on the participation of SMEs.

General Comment

The implementation is adequate.

7.3 The trade facilitation measures provided pursuant to paragraph 7.1 shall include at least three of the following measures:

- (a) low documentary and data requirements, as appropriate;
 - (b) low rate of physical inspections and examinations, as appropriate;
 - (c) rapid release time, as appropriate;
 - (d) deferred payment of duties, taxes, fees, and charges;
 - (e) use of comprehensive guarantees or reduced guarantees;
 - (f) a single customs declaration for all imports or exports in a given period;
- and
- (g) clearance of goods at the premises of the authorized operator or another place authorized by customs.

Implementation

Regarding facilitations for AEOs, measures as listed in (b), (c), (d), (e) and (g) have been implemented, and the measures as listed in the other items are yet to be implemented.

General Comment

The implementation is relatively adequate.

7.4 Members are encouraged to develop authorized operator schemes on the basis of international standards, where such standards exist, except when such standards would be an inappropriate or ineffective means for the fulfilment of the legitimate objectives pursued.

Laws and Regulations

Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit has fully integrated the advanced concepts of the "Authorized Economic Operators (AEO)" system contained within the World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade, and specifies that "authorized enterprises" by China Customs are equivalent to AEOs, and are eligible for the preferential treatment and customs clearance facilitation measures afforded by customs authorities of China and of countries (regions) with which China has entered into mutual recognition agreements.

General Comment

The implementation is adequate.

7.5 In order to enhance the trade facilitation measures provided to operators, Members shall afford to other Members the possibility of negotiating mutual recognition of authorized operator schemes.

Implementation

In March 2013, China and Singapore achieved mutual recognition of AEOs (referred to as STP-Plus in Singapore);

In April 2014, China and Korea achieved mutual recognition of AEOs;

In May 2014, the Chinese Mainland and Hong Kong SAR achieved mutual recognition of AEOs;

In November 2015, China and the European Union achieved mutual recognition of AEOs.

In July 2017, China and New Zealand achieved mutual recognition of

AEOs.

In September 2017, China and Switzerland achieved mutual recognition of AEOs.

In November 2017, China and Israel signed the AEO mutual recognition arrangement. Prior to this, China has signed and implemented AEO mutual recognition arrangements with 33 countries and regions. When Chinese AEO enterprises export goods to these countries and regions, the inspection rate is reduced by 60% to 80%, and the customs clearance time and cost are reduced by more than 50%. In November 2017, the WCO AEO Mutual Recognition Implementation Guidelines drafted by China Customs was adopted, which was the first time that China Customs had successfully led the formulation of international rules in the field of AEO. China Customs is carrying out AEO mutual recognition consultations with Russia, Kazakhstan, Malaysia, Israel, Turkey, Mongolia and other important countries along the “Belt and Road” as well as important trade countries such as the United States and Japan, striving to complete the mutual recognition with all the AEO system countries along the “Belt and Road” before 2020. (Link 7.51)

On June 13, 2018, Premier Li Keqiang of the State Council chaired a State Council executive meeting, proposing to optimize the import customs clearance process, carry out international mutual recognition of Customs “AEO” and improve the level of import trade facilitation. (Link 7.52)

General Comment

Implementation is still in progress.

7.6 Members shall exchange relevant information within the Committee about authorized operator schemes in force.

Implementation

China Customs actively participates in the annual AEO communications facilitated by the World Customs Organization, and shares its implementation experience regarding AEOs.

General Comment

The implementation is adequate.

8 Expedited Shipments

Laws and Regulations

Regarding expedited shipments, on November 18, 2003 China Customs released Decree of GACC No. 104 Measures of the People's Republic of China on Customs Supervision and Administration of Entry-Exit Expedited Shipments, which provides for the implementation of different types of customs clearance declaration approaches for different types of expedited shipments, and contributes positively to the acceleration of turnover of expedited shipments. (Link 7.53)

China Customs issued Announcement No. 19 in March 2016 on Using New Expedited Shipment Clearance System. On September 1, the new expedited shipment clearance system will be used; three kinds of expedited shipments are redefined and the format of bill of declaration/release of three kinds of expedited shipments are changed. (Link 7.54)

AQSIQ issued Measures for Administration of Inspection and Quarantine of Entry-Exit Expedited Shipments. (Link 7.55)

General Comment

The implementation is adequate.

8.1 Each Member shall adopt or maintain procedures allowing for the expedited release of at least those goods entered through air cargo facilities to persons who apply for such treatment, while maintaining customs control. If a Member employs criteria limiting who may apply, the Member may, in published criteria, require that the applicant shall, as conditions for qualifying for the application of the treatment described in paragraph 8.2 to its expedited shipments:

(a) provide adequate infrastructure and payment of customs expenses related to processing of expedited shipments in cases where the applicant fulfils the Member's requirements for such processing to be performed at a dedicated facility;

Laws and Regulations

Article 14 of Measures of the People's Republic of China on Customs Supervision and Administration of Entry-Exit Expedited Shipments provides, "customs clearance for expedited shipments intended for entry into or exit out of the border shall be conducted in dedicated regulatory premises approved by customs; where exceptional circumstances warrant such customs clearance outside the aforementioned premises, consent shall be obtained in advance from the customs authority in the relevant jurisdiction. The operator shall set up dedicated premises, warehouses and facilities in accordance with customs regulatory requirements, within the customs regulatory premises dedicated to expedited shipments intended for entry into or exit out of the border."

General Comment

The implementation is adequate.

(b) submit in advance of the arrival of an expedited shipment the information necessary for the release;

It's stipulated in Article 18 of Measures of the People's Republic of China on Customs Supervision and Administration of Entry-Exit Expedited Shipments, the operator requiring advance declaration should inform the customs of the transport and arrival of the entry-exit expedited shipments in advance and transmit or submit to the customs the manifest or checklist. The customs will accept the advance declaration after verification.

Laws and Regulations

Article 18 of Measures of the People's Republic of China on Customs Supervision and Administration of the Entry and Exit of Expedited Shipments provides that in cases where an operator needs to declare to customs in advance, he or she shall notify customs in writing of the transport and arrival status of expedited shipments intended to enter or exit the country, and transfer or submit to customs the manifest or list. After ascertaining the truthfulness and accuracy of the provided information,

customs may accept advance declaration.

General Comment

The implementation is adequate.

(c) be assessed fees limited in amount to the approximate cost of services rendered in providing the treatment described in paragraph 8.2;

Implementation

China Customs does not levy charges on its services for the customs clearance of expedited shipments.

General Comment

The implementation is adequate.

(d) maintain a high degree of control over expedited shipments through the use of internal security, logistics, and tracking technology from pick-up to delivery;

Implementation

International expedited shipment enterprises generally apply advanced tracking and control of expedited shipments during the entire process prior to release.

General Comment

The implementation is adequate.

(e) provide expedited shipment from pick-up to delivery;

General Comment

The implementation is adequate.

(f) assume liability for payment of all customs duties, taxes, fees, and charges to the customs authority for the goods;

Laws and Regulations

Article 20 of Measures of the People's Republic of China on Customs Supervision and Administration of Entry-Exit Expedited Shipments provides, "except as otherwise provided, when an operator goes through the declaration formalities for expedited shipments intended to enter or exit the country, he or she shall, pursuant to the classification requirements of Articles 11, 12 and 13 of the Measures, submit to customs respective declaration documents and completes the required declaration and tax payment formalities."

General Comment

The implementation is adequate.

(g) have a good record of compliance with customs and other related laws and regulations;

Laws and Regulations

For enterprises (including international expedited shipment enterprises) with good credit records, Provisional Measures of the People's Republic of China on Customs Administration of Enterprise Credit offers facilitations for customs clearance.

General Comment

The implementation is adequate.

(h) comply with other conditions directly related to the effective enforcement of the Member's laws, regulations, and procedural requirements, that specifically relate to providing the treatment described in paragraph 8.2.

Implementation

The Chinese government has set a high entry threshold for enterprises undertaking international expedited shipment services, and in general, compliance level is high.

General Comment

The implementation is adequate.

8.2 Subject to paragraphs 8.1 and 8.3, Members shall:

(a) minimize the documentation required for the release of expedited shipments in accordance with paragraph 1 of Article 10 and, to the extent possible, provide for release based on a single submission of information on certain shipments;

Laws and Regulations

According to Announcement on Using New Expedited Shipment Clearance System, the expedited shipment operator shall submit different customs declaration documents to the customs according to the express category (documents, personal goods, goods with a value of 5000 yuan and below) respectively. In terms of customs declaration form:

Expedited shipment of documents: submit Category A customs declaration form/checklist;

Expedited shipment of personal article: submit Category B customs declaration form/checklist;

Expedited shipment of goods with a value of 5,000 yuan and below: submit Category C customs declaration form/checklist.

Implementation

Category A, B and C customs declaration form / checklist are simplified special forms of customs declaration, and used by expedited shipment enterprises for customs declaration by electronic data interchange mode. So the review and release by the customs is fast.

General Comment

The implementation is relatively adequate. The condition is that needed information has been submitted.

Implementation

If the expedited shipment enterprises submit the declaration forms and documents according to the above-mentioned classification and ensure the accurate of the submitted materials, the customs will release the goods as soon as possible.

(b) provide for expedited shipments to be released under normal circumstances as rapidly as possible after arrival, provided the information required for release has been submitted;

Implementation

Expedited shipment enterprises submit different declaration documentation as per the aforementioned classifications, and provided that the information submitted is accurate, customs will release the shipments as rapidly as possible.

General Comment

The implementation is relatively adequate.

(c) endeavour to apply the treatment in subparagraphs (a) and (b) to shipments of any weight or value recognizing that a Member is permitted to require additional entry procedures, including declarations and supporting documentation and payment of duties and taxes, and to limit such treatment based on the type of good, provided the treatment is not limited to low value goods such as documents; and

Laws and Regulations

The current valid customs system for expedited shipments differentiates shipments as per value and use, but does not have requirements on the weight of the shipment. But high-value goods (expedited shipments of over 5,000 RMB, as per current regulations) need to be declared via formal declaration formalities.

General Comment

The implementation is relatively adequate.

(d) provide, to the extent possible, for a de minimis shipment value or dutiable amount for which customs duties and taxes will not be collected, aside from certain prescribed goods. Internal taxes, such as value added taxes and excise taxes, applied to imports consistently with Article III of the GATT 1994 are not subject to this provision.

Laws and Regulations

Article 45 of Regulations of the People's Republic of China on Import

and Export Tariff provides, "the following import and export goods are exempted from customs duties:

- (1) a consignment of goods whose customs duty is below 50 RMB;
 - (2) advertisement articles and samples of goods without commercial value;"
- (Link 7.56)

General Comment

The implementation is relatively adequate.

8.3 Nothing in paragraphs 8.1 and 8.2 shall affect the right of a Member to examine, detain, seize, confiscate or refuse entry of goods, or to carry out post-clearance audits, including in connection with the use of risk management systems. Further, nothing in paragraphs 8.1 and 8.2 shall prevent a Member from requiring, as a condition for release, the submission of additional information and the fulfilment of non-automatic licensing requirements.

Laws and Regulations

Article 19 of Measures of the People's Republic of China on Customs Supervision and Administration of Entry-Exit Expedited Shipments provides, "customs may directly open up the inbound or outbound expedited shipment for inspection, re-inspection, or collection of samples, where customs deems such action necessary."

Implementation Rules on Customs Administrative Penalty provides that breaches of regulations involving import and export goods or items for expedited shipment may be penalized according to law.

General Comment

The implementation is adequate.

9 Perishable Goods

Laws and Regulations

Article 13 of Decree of GACC No. 138 Administrative Measures of the People's Republic of China on Customs Inspection of Import and Export Goods, provides, "for dangerous articles or goods not fit for long-term

storage including those that are fresh and alive, perishable and that easily rot, lose efficacy or go bad, and for goods that require urgent inspection and release due to other exceptional circumstances, after the consignor/consignee or the broker thereof of import and export goods submits an application, customs may prioritize the arrangement of inspection for such goods." (Link 7.57)

Article 5 of Directive Rules of the People's Republic of China on Customs Inspection of Import and Export Goods provides, "for dangerous articles or goods not fit for long-term storage including those that are fresh and alive, perishable, or go bad, and for goods that require urgent inspection and release due to other exceptional circumstances, after the consignor/consignee or the broker thereof of import and export goods submits an application, customs may prioritize the arrangement of inspection for such goods." (Link 7.58)

On August 22, 2018, GACC issued Announcement No. 109 of 2018 on "Internet + Reservation Clearance". As of October 30, 2018, enterprises can log onto the "Internet + customs" integrated online platform, apply the "reservation clearance" function of the "customs clearance of goods", fill in online and submit a reservation clearance application. Apply. One of the applicability of reservation customs clearance is: fresh, frozen, perishable goods that need urgent clearance. (Link 7.59)

Implementation

In practice, for perishable or fresh and alive goods, China Customs offers 24/7 customs clearance appointment services. As of October 30, 2018, enterprises can log onto "Internet + customs" integrated online platform to submit applications online. However, the specific implementation needs further observation.

General Comment

In practice, customs and Inspection and Quarantine authorities provide customs clearance facilitations for perishable or fresh and alive import and export goods. As of November 2018, enterprises will be able to submit on-line applications for customs reservations. It is expected that

customs clearance for perishable and fresh commodities will be more institutionalized and facilitated..

Recommendations

Establish a customs clearance system dedicated to import and export goods that have exceedingly strict time requirements including those that are perishable, fresh and alive, dangerous, used for disaster relief purposes, extremely valuable, and intended for first-aid purposes.

9.1 With a view to preventing avoidable loss or deterioration of perishable goods, and provided that all regulatory requirements have been met, each Member shall provide for the release of perishable goods:

- (a) under normal circumstances within the shortest possible time; and

Laws and Regulations

China Customs is yet to put in place import and export management measures dedicated to perishable goods.

Implementation

In practice, if import and export goods are perishable or fresh and alive, customs authorities across localities have facilitation measures to provide protection. For instance, establishment of "green channel" for fresh and alive goods, 24-hour customs clearance appointment, "inspection upon arrival, and release upon inspection", "review first, submission of documentation later, and guarantee-based release", "advance declaration, and appointment for overtime", and other preferential and facilitation measures have provided guarantee for the rapid customs clearance of such goods.

General Comment

Most perishable fresh products are statutory import and export inspection commodities. Cooperation of customs inspection is the key to ensuring rapid clearance of such products. China's entry-exit inspection and

quarantine administration duties and personnel were officially integrated into GACC on April 20, 2018, and a new version of the customs declaration was officially used on August 1, implementing the unified declaration of customs and inspection. The customs clearance officially stepped down from the stage of history. With the further integration of inspection and quarantine and customs in personnel, process and system, the customs clearance of perishable fresh products will become more and more efficient and smooth.

(b) in exceptional circumstances where it would be appropriate to do so, outside the business hours of customs and other relevant authorities.

General Comment

The implementation is largely completed.

9.2 Each Member shall give appropriate priority to perishable goods when scheduling any examinations that may be required.

Laws and Regulations

Article 13 of Decree of GACC No. 138 Administrative Measures of the People's Republic of China on Customs Inspection of Import and Export Goods, which entered into force on 1 February, 2006, provides, "for dangerous articles or goods not fit for long-term storage including those that are fresh and alive, perishable and that easily rot, lose efficacy or go bad, and for goods that require urgent inspection and release due to other exceptional circumstances, after the consignor/consignee or the broker thereof of import and export goods submits an application, customs may prioritize the arrangement of inspection for such goods."

General Comment

The implementation is adequate. (Link 7.60)

9.3 Each Member shall either arrange or allow an importer to arrange for the proper storage of perishable goods pending their release. The Member may require that any storage facilities

arranged by the importer have been approved or designated by its relevant authorities. The movement of the goods to those storage facilities, including authorizations for the operator moving the goods, may be subject to the approval, where required, of the relevant authorities. The Member shall, where practicable and consistent with domestic legislation, upon the request of the importer, provide for any procedures necessary for release to take place at those storage facilities.

Implementation

Entry-exit terminal operators (ports, airports, etc.) may establish cold-chain storage facilities within the customs regulatory area, and other enterprises may apply to customs for the establishment of cold-chain bonded warehouses, intended for the storage of fresh and alive, or perishable goods.

General Comment

The implementation is adequate.

9.4 In cases of significant delay in the release of perishable goods, and upon written request, the importing Member shall, to the extent practicable, provide a communication on the reasons for the delay.

Implementation

No cases have been found involving enterprises' grievances due to restricted release of perishable goods.

General Comment

The implementation is adequate.

ARTICLE 8: BORDER AGENCY COOPERATION

1. Each Member shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade.

Laws and Regulations

At the end of 2014, the State Council released the Reform Plan on Promoting the Development of Big Customs Clearance via Mutual Information Exchange, Mutual Inspection Findings Recognition, Mutual Law Enforcement Assistance, setting the objective of further facilitating and securing trade via Mutual Information Exchange, Mutual Inspection Findings Recognition, Mutual Law. The plan clearly puts forward “promoting the single window construction” and puts forward a clear timetable for the single window construction. (Link 8.1)

In May 4, 2014, General Office of the State Council issued the Opinions of the General Office of the State Council on Supporting the Steady Growth of Foreign Trade (Decree of the State Council No. 19 [2014]) in which It's proposed “to speed up the construction of electronic ports, implement the "single-window" acceptance of international trade and comprehensively promote "one declaration, one inspection and one release" to achieve the sharing of information between port departments and local governments.” (Link 8.2)

On July 17, 2014, GACC and AQSIQ signed Memorandum on Deepening Customs Inspection Cooperation and Jointly Promoting the Steady Growth of Foreign Trade in which It's clearly stipulated that the two departments will join hands to “comprehensively promote "one declaration, one inspection and one release" in customs inspection three, speed up "single-window" construction, promote the realization of information exchange, mutual recognition, mutual supervision and law enforcement.” (Link 8.3)

In recent years, the State Council has continuously promoted and deepened

the reform to streamline administration, delegate more powers, improve regulation and provide better services (hereinafter referred to as “reform to streamline administration, delegate more powers, improve regulation and provide better services”) and has issued many documents to promote specific work, focusing on resolving problems such as multiple law enforcement, duplicate inspections and disunified standards. (Link 8.4)

In 2018, the State Council further proposed the improvement of the business environment and the promotion of “one website for all businesses” and other services. (Link 8.5)

In 2018, the State Council initiated institutional reforms to integrate the entry-exit inspection and quarantine administration duties and teams of AQSIQ to GACC. (Link 8.6)

After the institutional reform, China Customs began to amend or abolish a large number of relevant regulations and documents, sort out and integrate relevant procedures, and further clarify and simplify border supervision and services. (Link 8.7)

Since August 1, 2018, customs have integrated declaration of imported and exported goods, merged the customs declaration form and the inspection application form and integrated the customs declaration and inspection application into “four ones” for enterprises, namely, “one customs declaration form, one set of accompanying documents, one set of parameters code, one declaration system”. Specific measures include: streamlining a total of 229 items of goods declaration data from the original customs declaration and inspection declaration documents to 105 items; integrating the original customs declaration and inspection application documents into one set of accompanying documents (simplifying and integrating the accompanying documents of import declaration, merging 74 items of original customs declaration and inspection application accompanying documents into 10 items, and merging 102 items of regulatory documents into 64 items); the original customs declaration and inspection application parameters have been integrated into one set of parameter codes; the original customs declaration and inspection application declaration systems have been integrated into one declaration system. (Link 8.8)

In addition, China Customs has optimized and integrated the qualifications

of the enterprises for customs declaration and inspection application, completely cancelled the Entry/Exit Goods Customs Declaration Form, uniformly sent the release order for once. The operating units at the customs supervision and control workplaces handle the goods loading and delivery formalities for the enterprises on the basis of the release order of the customs. (Link 8.9)

Implementation

Projects in progress include:

1. Improving the standard version of the “single window”;
2. "One-stop operation", i.e. in cases where customs, border inspection, transport (land), and maritime agencies need to conduct inspections on the same transport vehicle and the same import and export good, the aforementioned agencies may conduct joint inspections;
3. Deepen the reform to streamline administration, delegate more powers, improve regulation and provide better services;
4. Establish information sharing and mutual use mechanisms;
5. Continue to deepen the follow-up work of institutional reform after integration of the entry and exit inspection and quarantine administration duties and teams into GACC.

General Comment

In recent years cooperation among domestic border regulatory agencies has been increasingly enhanced. Since the beginning of 2018, the institutional reform has simplified the relevant border regulatory agencies and procedures, but the manpower and mechanism after the institutional reform need to be straightened out, and the effectiveness of the reform needs to be further explored.

Recommendations

As soon as possible straighten out the relevant mechanisms after the integration of the entry and exit inspection and quarantine administration duties and teams into GACC, rationally set up institutions and systems, integrate and simplify relevant working procedures, stimulate the

enthusiasm of the teams, so as to bring the reform effectiveness into full play.

2. Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:

Laws and Regulations

Countries and regions bordering the Chinese Mainland include 14 countries, i.e. North Korea, Russia, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar, Laos and Vietnam; and two Special Administrative Regions, i.e. Hong Kong and Macao.

On April 16, 2018, GACC promulgated Announcement No. 30 of 2018 on Matters Concerning the Implementation of UN TIR Convention Pilot Program and decided to start the TIR transportation pilot program at ports including Khorgos Port, Irkstan Port, Erlianhot Highway Port, Manchuria Highway Port, Suifen River Port. (Link 8.10)

On May 14, 2018, GACC issued the Announcement No. 42 on Matters Concerning Pilot Implementation of TIR Convention and decided to expand the scope of the TIR transport pilot program, further clarify the carriers and their vehicles that can engage in TIR transport, and designate Dalian Port as TIR transport pilot port. (Link 8.11)

Implementation

Information on the overall situation of cargo transport routes, and mutual coordination and cooperation between the customs authorities of China and those of its bordering countries cannot be accessed via public channels, therefore no objective evaluation of the implementation thereof can be conducted.

Recommendations

China Customs and inspection and quarantine authorities shall disclose, when appropriate, the status of cooperation and coordination on relevant

provisions of Trade Facilitation Agreement and TIR Convention with countries that border on China.

- (b) alignment of procedures and formalities;
- (c) development and sharing of common facilities;
- (d) joint controls;
- (e) establishment of one stop border post control.

ARTICLE 9: MOVEMENT OF GOODS INTENDED FOR IMPORT UNDER CUSTOMS CONTROL

Each Member shall, to the extent practicable, and provided all regulatory requirements are met, allow goods intended for import to be moved within its territory under customs control from a customs office of entry to another customs office in its territory from where the goods would be released or cleared.

Rules and Regulations

It's stipulated in Article 35 of the Customs Law of the People's Republic of China, "The customs procedures for the imported goods shall be carried out by the consignee at the entry port of the goods, and those for the exported goods shall be handled by the consignor at the the exit port of the goods.

When the application of the consignee and consigner is approved by the customs, the consignee of imported goods can handle the customs procedures at the destination with customs and the consignor of the exported goods can handle the customs procedures at the place of departute. The transit of the above-mentioned goods shall meet the customs supervision requirements; when necessary, the customs can send staff to escort the goods." (Link 9.1)

Decree of GACC No. 89 on Implementing the Regulatory approaches of transit goods in People's Republic of China (Link 9.2)

Decree of GACC No. 218 Decision of GACC on Revising Some Regulations (Revision of Measures of China Customs for Supervision and Administration of Transit Goods) (Link 9.3)

Announcement of GACC No. 103 of 2018 on the Adjustment and Publication of the Format Texts of 6 Regulations and Legal Instruments of the Customs of the People's Republic of China Concerning the Regulations on the Supervision of Transferred Goods (Link 9.4)

Implementation

China Customs allows goods intended for import to be moved within its territory and under customs control from a customs office of entry to another customs office in its territory from where the goods would be released or cleared.

Clear clearance processes for transit goods are available. (Link 9.5)

General Comment

The implementation is adequate.

ARTICLE 10: FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

1 Formalities and Documentation Requirements

Laws and Regulations

China Customs has relatively complete and clear formalities connected with importation, exportation and transit. (Link 10.1)

Chapter 2 Declaration Requirements and Chapter 4 Declaration Documentation of Decree of GACC No. 103 Regulations of the People's Republic of China on Customs Administration of Declaration of Import and Export Goods, set out explicit provisions on the declaration formalities and documentation requirements for import and export goods. Article 24 provides, "provisions on declaration of transshipped, through- and transit goods and on expedited shipments shall be formulated separately by GACC." (Link 10.2 and 10.3)

1.1 With a view to minimizing the incidence and complexity of import, export, and transit formalities and to decreasing and simplifying import, export, and transit documentation requirements and taking into account the legitimate policy objectives and other factors such as changed circumstances, relevant new information, business practices, availability of techniques and technology, international best practices, and inputs from interested parties, each Member shall review such formalities and documentation requirements and, based on the results of the review, ensure, as appropriate, that such formalities and documentation requirements are:

Implementation

In recent years China Customs has been continuously deepening reform. Especially the entry-exit inspection and quarantine management responsibilities and teams have been integrated into the customs, which is a major change in port governance structure in recent years, and will bring great changes to port management. First, since May 29, 2018, GACC

has promulgated the Decision of GACC on Amending Some Regulations (Decree of GACC No. 240) and the Decision of GACC on Abolishing Some Regulations ((Decree of GACC No. 241), which will require the enforcement of 84 regulations to be amended or repealed. The number of documents submitted by political counterparts has been reduced from 132 to 40 (by 70%), effectively reducing institutional transaction costs and continuously improving the business environment. Second, since June 1, 2018, GACC has issued an announcement to cancel the Customs Declaration on Inbound and Outbound Goods to implement the reform of the unification of annual statements and multiple statements. Third, since August 1, 2018, customs has implemented integrated declaration of imported and exported goods, integrated the customs declaration and inspection declaration into a single declaration form, reduced a total of 229 goods declaration data on the original declaration and inspection declaration to 105, significantly reducing the number of enterprise declaration items. The integrated declaration project is a landmark reform measure for the integration of customs and inspection business. It has changed the original customs declaration process and operation mode of enterprises and realized the declaration of goods with a large form for customs declaration and inspection. (Link 10.4).

Despite the considerable simplification of documentary work done by the customs, the problem of duplicate entry of documentary data between the customs and other ports' joint inspection departments still exist, and has received serious attention from relevant departments including China Customs. With the progress of reforms including the "single-window", "Three Mutuals", especially the further promotion of the standard version of "single-window", such issues are likely to be improved gradually.

General Comment

Reform has been significantly accelerated, and it has been fully implemented.

Recommendations

Accelerate the exchange of information, mutual recognition of supervision

and mutual help of law enforcement between departments, and form a management system and mechanism that is both in line with China's national conditions and internationally competitive.

(a) adopted and/or applied with a view to a rapid release and clearance of goods, particularly perishable goods;

Implementation

China Customs attaches great importance to the rapid release and clearance of goods. (Links 10.5 and 10.6)

In recent years, China Customs employed a series of measures to facilitate the rapid release of goods (particularly perishable goods); in 2018 it has further reduced the goods clearance time by 1/3.

Including:

Endeavor to achieve national customs clearance integration and further promote the integration of inspection and examination;

Promote the reform of customs clearance integration in China.

Comprehensively cancel Entry and Exit Goods Clearance.

Integrate customs import and export goods declaration, and merge customs declaration and inspection into one customs declaration.

Promote international trade in a single window across the country;

Further promote the "three mutual" customs clearance reform, strengthen connection and cooperation with port departments;

Implement the reform of integrating annual statements and multiple statements, etc..

...

General Comment

Customs clearance efficiency is being increasingly improved via cooperation between departments, business process reengineering, simplification and coordination regarding documentation and formalities.

(b) adopted and/or applied in a manner that aims at reducing the time and cost of compliance for traders and operators;

Implementation

In recent years, while China Customs has worked towards continuous increase of clearance speed, it has also reduced goods customs clearance costs, canceled, suspended and reduced multiple administrative charges, including:

Information transfer charge. GACC canceled the information transfer charge of the data center, and local customs data sub-centers canceled or reduced the information transfer charge;

Cancellation of charges on regulatory formalities;

Cancellation of charges on examination and certificate costs for customs declarants;

Cancellation of Intellectual Property Right recordation charge;

Cancellation of customs inspection charge.

Foreign trade enterprises with no problems found in the inspection should be exempted from the charges for hoisting, shifting, warehousing import and export containers and heavy boxes in the customs inspection process.

Former inspection and quarantine authorities significantly reduced the scope of export goods subject to legally-required commodity inspection, and consolidated and canceled some unreasonable charges.

General Comment

Customs and inspection and quarantine authorities have made efforts to reduce the time and cost of customs clearance and achieved fairly positive results, but there is still room for improvement, especially after the integration of inspection and quarantine and customs.

(c) the least trade restrictive measure chosen where two or more alternative measures are reasonably available for fulfilling the policy objective or objectives in question.

General Comment

The implementation is adequate.

(d) not maintained, including parts thereof, if no longer required.

General Comment

The implementation is adequate.

1.2 The Committee shall develop procedures for the sharing by Members of relevant information and best practices, as appropriate.

2 Acceptance of Copies

2.1 Each Member shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export, or transit formalities.

Implementation

In regulatory practice, China Customs does accept paper or electronic copies. At present, the degree of paperless and networking is increasing. The general idea of GACC for this year is: first, to cancel all documents that are not necessary for customs supervision; second, not to require enterprises to submit documents that can be obtained by the customs through networking with other units or departments and search; third, not to require enterprises to submit documents issued by the customs which do not need to be signed for operation; fourth, not to require enterprises to repeatedly submit documents submitted to the customs through other management processes. (Link 10.7)

General Comment

The implementation is adequate.

2.2 Where a government agency of a Member already holds the original of such a document, any other agency of that Member shall accept a paper or electronic copy, where applicable, from the agency holding the original in lieu of the original document.

General Comment

The implementation is adequate.

2.3 A Member shall not require an original or copy of export declarations submitted to the

customs authorities of the exporting Member as a requirement for importation.

Implementation

Both in regulations and in practice, China Customs does not require importers to submit an original or copy of an export Member's export declarations.

General Comment

The implementation is adequate.

3 Use of International Standards

General Comment

The Customs of China is eager to keep in tandem with international policies.

3.1 Members are encouraged to use relevant international standards or parts thereof as a basis for their import, export, or transit formalities and procedures, except as otherwise provided for in this Agreement.

Implementation

The Customs of China has already or basically adopted the following international standards:

The Harmonized Commodity Description and Coding System (HS codes);
International Convention on the Simplification and Harmonization of Customs Procedures (The Kyoto Convention);
The WTO Agreement on Customs Valuation;
Authorized Economic Operator (AEO) programs;
The ATA Carnet;
System of respecting previous cases in classification;
Voluntary disclosure system.

3.2 Members are encouraged to take part, within the limits of their resources, in the preparation and periodic review of relevant international standards by appropriate international

organizations.

Implementation

On October 26, 2017 (local time, in Brussels, Belgium), Guidelines for the Implementation of Mutual Recognition of World Customs Organization AEO drafted by China Customs was approved at the World Customs Organizations' Global Trade Security and Facilitation Standards Framework working group meeting. It was first time China Customs had taken the lead in formulating international rules in the field of World Customs Organization AEO. (Link 10.8)

The WCO Framework of Standards for Cross-Border E-Commerce formulated by China Customs was also issued by the WCO in June 2018. (Link 10.9)

General Comments

China has joined the World Trade Organization (WTO) and the World Customs Organization (WCO), but needs to further improve participation in the formulation of relevant international standards of these organizations.

3.3 The Committee shall develop procedures for the sharing by Members of relevant information, and best practices, on the implementation of international standards, as appropriate.

The Committee may also invite relevant international organizations to discuss their work on international standards. As appropriate, the Committee may identify specific standards that are of particular value to Members.

4 *Single Window*

4.1 Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.

4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.

4.3 Members shall notify the Committee of the details of operation of the single window.

4.4 Members shall, to the extent possible and practicable, use information technology to support the single window.

Implementation

In both 2016 and 2017, the Government Work Report proposed promoting the "single window" of international trade for two consecutive years. In 2018, the standard version of "single window" should be vigorously promoted nationwide by the State Office of Customs Ports. At present, the construction of 9 basic functions the standard version of "single window", including goods declaration, manifest declaration, means of transport declaration, license application, certificate of origin application, enterprise qualification processing, inquiry and statistics, export tax refund and tax payment, has been completed. The system has been docked with 11 ministries and commissions, such as the Ministry of Public Security, the People's Bank of China, the General Administration of Customs and the General Administration of Industry and Commerce, covering all the ports of 31 provinces (cities and districts) in China. The main business declaration rate of import and export enterprises through the "single window" basically reaches 70%. (Link 10.10 and 10.11)

General Comment

At the national level, the goal of building a single window has been determined and a standard version has been set up. Some key port cities have taken a positive attitude towards the implementation of a single window and have carried it out rapidly.

Recommendations

Single window is to establish a cross-departmental collaboration system

without changing the existing administrative block management, which faces many objective challenges. First, there are many departments involved in international trade. To realize the "single window", we must coordinate more than a dozen departments. Secondly, it is more difficult to change administrative concepts and thinking. At the same time, the technical systems and standards of different departments are different, which makes it more difficult to establish a "single window".

1. It is suggested that the leading department should optimize and improve the system functions, ensure the operation and maintenance services, explore the bright points and advantages of the "single window" list, so that enterprises can have more sense of acquisition, while other departments actively support the construction of a single window.

2. Relevant government administrations should be open to the single window built by third parties and provide corresponding access ports.

5 Preshipment Inspection

5.1 Members shall not require the use of preshipment inspections in relation to tariff classification and customs valuation.

Implementation

There is no "preshipment inspection in relation to tariff classification and customs valuation" at China Customs (including former inspection and quarantine agencies).

General Comment

The implementation is adequate.

5.2 Without prejudice to the rights of Members to use other types of preshipment inspection not covered by paragraph 5.1, Members are encouraged not to introduce or apply new requirements regarding their use.

General Comment

The implementation is adequate.

6 Use of Customs Brokers

6.1 Without prejudice to the important policy concerns of some Members that currently maintain a special role for customs brokers, from the entry into force of this Agreement Members shall not introduce the mandatory use of customs brokers.

Implementation

The Customs of China does not "introduce the mandatory use of customs brokers". Consignors and consignees can apply for customs clearance themselves (but they need to register as international traders and customs declaration businesses) or use customs brokers.

General Comment

The implementation is adequate.

6.2 Each Member shall notify the Committee and publish its measures on the use of customs brokers. Any subsequent modifications thereof shall be notified and published promptly.

6.3 With regard to the licensing of customs brokers, Members shall apply rules that are transparent and objective.

Laws and Regulations

The Customs of China has relatively transparent and objective rules on the licensing of customs brokers.

Decree of GACC No. 221 Provisions of the People's Republic of China on Customs Administration of Registration of Customs Declaration Entities stipulates conditions and procedures for the registration of customs declaration entities. (Link 10.12)

Announcement of GACC No. 26 [2014] Announcement on Publishing the Format for Legal Documents and Statements relevant to the "Provisions of GACC of the People's Republic of China on Administration of Registration of Declaration Entities provides samples of the required documents and statements. (Link 10.13)

In addition, users can download from GACC's website "the required

documents and forms for declaration entities" and the administrative service guide on the "registration of declaration entities". (Link 10.14)

General Comment

The implementation is adequate.

7 Common Border Procedures and Uniform Documentation Requirements

7.1 Each Member shall, subject to paragraph 7.2, apply common customs procedures and uniform documentation requirements for release and clearance of goods throughout its territory.

Implementation

China Customs applies a uniform procedure and document clearance system throughout the country; in 2017 China Customs achieved the national customs clearance integration; after the integration of inspection and quarantine into customs in 2018, China Customs has also realized the integration of inspection and quarantine.

General Comment

The implementation is adequate.

7.2 Nothing in this Article shall prevent a Member from:

(a) differentiating its procedures and documentation requirements based on the nature and type of goods, or their means of transport;

(b) differentiating its procedures and documentation requirements for goods based on risk management;

(c) differentiating its procedures and documentation requirements to provide total or partial exemption from import duties or taxes;

(d) applying electronic filing or processing; or

(e) differentiating its procedures and documentation requirements in a manner consistent

with the Agreement on the Application of Sanitary and Phytosanitary Measures.

8 Rejected Goods

8.1 Where goods presented for import are rejected by the competent authority of a Member on account of their failure to meet prescribed sanitary or phytosanitary regulations or technical regulations, the Member shall, subject to and consistent with its laws and regulations, allow the importer to re-consign or to return the rejected goods to the exporter or another person designated by the exporter.

Laws and Regulations

Article 6 of Decree of GACC No. 217 Measures of the People's Republic of China on Customs Administration of Direct Return of Imported Goods provides, "Under any of the following circumstances which occur after the goods have entered China and before the customs release formalities are completed, the customs shall order the party to return the goods directly abroad:

- (1) The goods are prohibited by the state from being imported and have been handled by the customs according to law;
- (2) There is violation of the state policies and regulations on inspection and quarantine; and the violation has been handled by the customs according to law;
- (3) Solid waste that is under import restriction is imported without permission and has been handled by the customs according to law;
- (4) Other circumstances where there is violation of laws and administrative regulations of the state and the party shall be ordered to directly return the goods." (Link 10.15 and 10.16)

※Regulations on Sanitary and Phytosanitary (SPS): Quarantine of Animals and Plants, Health Quarantine

Article 22, Administrative Measures on Inspection and Quarantine of Imported and Exported Aquatic Products, Decree of the AQSIQ No. 135, provides that: "If any of the following occurs, the said product shall be returned or destroyed:

Failure to have a valid "License for Quarantine of Entry Animals and Plants" where verification for an entry product is required;

Failure to register in China where registration is required of an aquatic product producer;

Failure to have the inspection and quarantine certificate issued by the authority of the exporting country or region;

Failure in inspections related to personal safety, health and environmental protection." (Link 10.17)

Article 21, Administrative Measures on Inspection and Quarantine of Imported or Exported Meat Products, Decree of the AQSIQ No. 136, provides that: "The inspection and quarantine body of the entry port shall, based on the results of laboratory testing of the imported meat product, handle the product in the following ways:

...

(2) If a product fails inspection and quarantine, issue the "Notice on Inspection and Quarantine Treatment". If any of the following occurs, the said product shall be returned or destroyed:

1. Failure to have a valid "License for Quarantine of Entry Animals and Plants";
2. Failure to have a relevant certificate issued by the authority of the exporting country or region;
3. An imported meat product is produced by an unregistered producer;
4. Failure in inspections related to personal safety, health and environmental protection.

..." (Link 10.18)

Article 27, Administrative Measures on Inspection and Quarantine of Entry/Exit Non-edible Animal Products, Decree of the AQSIQ No. 159, provides that: "After a non-edible animal product passes the inspection and quarantine, and a "Certification of Inspection and Quarantine of Entry Goods" is issued accordingly by the inspection and quarantine body, it may be sold, used or be processed at the designated producer.

If a product fails inspection and quarantine, a "Notice on Inspection and Quarantine Treatment" will be issued by the inspection and quarantine

body, and the product shall, under the supervision of the inspection and quarantine body, undergo treatment against harmful substances, be returned or destroyed by the consignor or its agent; entry is permitted if a product passes inspection and quarantine after treatment against harmful substances. If claims against a third party is needed, the inspection and quarantine body shall issue relevant certificates.

Information on the inspection and quarantine of imported non-edible animal products shall be submitted to GACC

..." (Link 10.19)

Article 20, Administrative Provisions on Health and Quarantine of Entry/Exit Special Articles, Decree of the AQSIQ No. 160, provides that: "The port inspection and quarantine body shall discharge an entry/exit special article that complies with the requirements after health quarantine. If any of the following occurs, a "Notice on Inspection and Quarantine Treatment" will be issued by the port inspection and quarantine body, and the said article shall be returned or destroyed:

- (1) One of these factors, including the name, batch number, specification, biologically active ingredient, etc., does not match the information in the verification;
- (2) The quantity exceeds the verified range;
- (3) The packaging does not meet safety requirements for special articles;
- (4) Failure to meet sanitation and quarantine requirements after verification;
- (5) Where the special article being mailed or carried is detained, the "Approval of Special Article Verification" is not submitted within 7 days, or fails in inspection and quarantine after submitting the "Approval of Special Article Verification".

The port inspection and quarantine body shall properly record and file the eventual treatment." (Link 10.20)

Article 25, Administrative Measures on Quarantine and Supervision of Imported and Exported Chinese Traditional Medicines, Decree of the AQSIQ No. 169, provides that: "If a product fails the quarantine, a "Notice on Quarantine Treatment" will be issued by the inspection and quarantine body, and the product shall, under the supervision of the inspection and

quarantine body, undergo treatment against harmful substances, be returned or destroyed by the consignor or its agent; entry is permitted if a product passes inspection and quarantine after treatment against harmful substances. If claims against a third party is needed, the inspection and quarantine body shall issue relevant certificates pursuant to regulations." (Link 10.21)

Article 27, Administrative Measures on Quarantine of Articles Carried by Persons on Entry/Exit, Decree of the AQSIQ No. 146, provides that: "Where the carried article is required to undergo laboratory quarantine or segregated quarantine, and it passes the quarantine conducted by the inspection and quarantine body when detained, its carrier shall collect the article within the specified time limit on the detention certificate; failure to collect shall be deemed as voluntary waiver. Where the article fails in the quarantine when detained and cannot be treated effectively, it shall be returned or destroyed within a specified time limit." (Link 10.22)

Article 18 of Administrative Measures on Quarantine of Postal Articles on Entry/Exit provides that: "If any of the following occurs, the entry postal article shall be returned or destroyed by the inspection and quarantine body:

- (1) Failure to undergo quarantine verification formalities pursuant to regulations or failure to comply with regulations on quarantine verification;
- (2) Incomplete documents;
- (3) Fails in the quarantine and cannot be treated effectively;
- (4) Other cases where return or destruction is required." (Link 10.23)

※Regulations on Technical Barriers to Trade (TBT): Goods (including food)

Implementing Regulations of the Law of the People's Republic of China on Inspection of Imported and Exported Goods provides that: "Article 19 Unless otherwise specified by law or administrative regulation, if any imported goods subject to statutory inspection fail inspection in items concerning safety of persons and property, health and environmental protection, the entry-exit inspection and quarantine body shall order the importer to destroy it, or issue a "Notice on Return of Goods" and inform

the customs office in writing, and the customs office shall return the goods upon the "Notice on Return of Goods"; if the goods fail in other items, technical treatment may be applied under the supervision of the entry-exit inspection and quarantine body, and once they pass re-inspection, the goods may be sold or used. In case an importer applies for a certificate to the entry-exit inspection and quarantine body, the entry-exit inspection and quarantine body shall issue the certificate in a timely manner.

Article 53 If an overseas supplier or domestic consignee fails to register or undergo pre-shipping inspection when it imports solid wastes that may be used as raw material, it shall be ordered to return the goods pursuant to relevant State provisions; where the case is serious, the entry-exit inspection and quarantine body shall also impose upon it a fine ranging from CNY100,000 to CNY1 million.

If an overseas supplier or domestic consignee, whose solid wastes that may be used as raw material are registered, seriously violates relevant State provisions, the entry-exit inspection and quarantine body shall revoke its registration. In case anyone fails to file or undergo pre-shipping inspection when importing an old electromechanical product permitted by the State, the product shall be returned pursuant to relevant State provisions; where the case is serious, the entry-exit inspection and quarantine body shall also impose upon it a fine of less than CNY1 million." (Link 10.24)

Administrative Measures on Inspection and Supervision of Imported and Exported Toys provides that: "Article 4 Imported toys shall be inspected pursuant to compulsory requirements of the State's technical regulations. "

Article 9 If an imported toy fails inspection, a "Notice on Inspection and Quarantine Treatment" will be issued by the inspection and quarantine body. If the toy fails inspection in items concerning safety of persons and property, health and environmental protection, the inspection and quarantine body shall order the importer to return or destroy it; if it fails in other items, technical treatment may be applied under the supervision of the inspection and quarantine body, and once it passes re-inspection, it may be sold or used." (Link 10.25)

Article 18, Administrative Measures on Inspection, Quarantine and Supervision of Entry/Exit Grains, Decree of the AQSIQ No. 177, provides that: "If any of the following occurs, the entry grain shall be returned or destroyed:

- (1) Not included in the entry list issued by the AQSIQ, or Phytosanitary Certificate or other certificates issued by food exporting countries or local competent departments cannot be provided, or there is no Quarantine Permit;
- (2) Test results for toxic and hazardous substances and other safety and sanitation items do not meet the mandatory state requirements for technical specifications, and the intended use cannot be changed or there is no effective dealing method;
- (3) Genetically modified ingredients are detected, no Bio-safety Certificate for Genetically Modified Food or other relevant approval documents, or does not match the provisions in the Certificate and approval documents;
- (4) Soil, quarantine pests and other substances prohibited from import are detected, and there is no effective dealing method for quarantine;
- (5) Decay and deteriorate due to water, mildew, etc. or suffer from chemical and radioactive contamination, and the intended use cannot be changed or there is no effective dealing method;
- (6) Food safety is seriously jeopardized due to other reasons. (Link 10.26)

It is provided in Article 39 of AQSIQ Decree No. 143 on the Measures for the Inspection, Quarantine, Supervision and Administration of Imported and Exported Cosmetics that "based on the types of risk and severity, AQSIQ may determine and publish the following quick response measures:

- (1) conditionally limit import and export, including close monitoring, stricter inspection and mandatory recall;
 - (2) prohibit import and export by destroying on the spot or returning the products;
 - (3) initiate a contingency plan on the safety of import and export cosmetics.
- An inspection and quarantine institution shall be responsible for implementing quick response measures." (Link 10.27)

It is provided in Article 45 of AQSIQ Decree No. 144 on the Measures on the Administration of Import and Export Food Safety that "AQSIQ and inspection and quarantine institutions directly subordinate to AQSIQ shall issue risk warning based on food safety risk levels, and that AQSIQ may issue risk warning depending on the circumstances and determine the adoption of the following control measures:

- (1) conditionally limit import and export, including close monitoring, stricter inspection and mandatory recall;
 - (2) prohibit import and export by destroying on the spot or returning the products;
 - (3) initiate a contingency plan on the safety of import and export cosmetics.
- An inspection and quarantine institution shall be responsible for risk warning and implementing quick response measures." (Link 10.28)

It is provided in Article 18 of AQSIQ Decree No. 152 on the Measures for the Inspection, Quarantine, Supervision and Administration of Import and Export Dairy Products that "an inspection and quarantine institution shall issue an unqualified certificate if import and export dairy products prove to be unqualified after inspection and quarantine procedures. If the products fail the safety, health, environmental protection inspection and quarantine, the inspection and quarantine institution shall order the parties concerned to destroy the products, or issue a Notice for Return of Products, and the importer shall handle the formalities concerning the return. Other items that fail the inspection and quarantine may be treated technically under the supervision of the inspection and quarantine institution and products may be sold and used if they prove to be qualified after re-inspection.

Before import and export dairy products are destroyed and returned, the importer shall seal up the unqualified dairy products on their own and store them in a place designated or affirmed by the inspection and quarantine institution. Such products cannot be transferred without permission of the inspection and quarantine institution.

The importer shall finish destroying within three months, and report the result to the inspection and quarantine institution." (Link 10.29)

It is provided in Article 12 of AQSIQ Decree No.1 on Provisions on the

Administration of Import and Export Inspection and Quarantine Risk Warning and Quick Response that "emergency control measures include the following:

- (1) refer to international practices when a dangerous situation occurs and there is no sufficient scientific basis, take temporary emergency measures on export and import cargo and goods, and proactively collect relevant information for risk assessment;
- (2) take emergency measures according to law on import and export cargo and goods where major risks have been defined and prohibit them from export and import; block ports if necessary." (Link 10.30)

It is provided in Article 18 of AQSIQ Decree No.3 on Measures for the Inspection, Quarantine, and Administration of Import and Export Express Consignment that "in case of any of the following circumstances, the Customs shall return or destroy the import express consignments and issue relevant certificates:

- (1) no quarantine approval and failure to obtain quarantine approval when required to do so;
- (2) quarantine certificates or relevant announcements that must be officially issued by the exporting country are not acquired as regulated in laws and regulations, related international treaties or bilateral agreements;
- (3) not qualified after quarantine and there is no effective dealing method;
- (4) import express consignments as stated in this Article 22 cannot be treated technically, or are still unqualified after technical treatment and re-inspection;
- (5) other circumstances where import express consignments have to be returned or destroyed." (Link 10.31)

It is provided in Article 18 of AQSIQ Decree No.18 on Measures for Inspection, Supervision and Administration of Import Paint that "an inspection and quarantine institution shall issue an inspection and quarantine certificate to unqualified import paint according to Article 15 and 16, and report to AQSIQ, and that for import paint that fails specific tests, a consignee must return or handle the import paint properly as required by relevant departments." (Link 10.32)

General Comment

Implementation of China Customs is adequate.

8.2 When such an option under paragraph 8.1 is given and the importer fails to exercise it within a reasonable period of time, the competent authority may take a different course of action to deal with such non-compliant goods.

Laws and Regulations

China Customs does not stipulate specifically how the goods should be dealt with if the party does not return the goods as ordered. (Link 10.33)

Implementation

Basically implemented, but there is still room for improvement.

Recommendation

A set of rules on handling goods that are not returned by enterprises by order, or those that are prohibited to be imported and retained by the Customs, for example, solid waste and meat that does not conform to the health standards, should be established.

9 Temporary Admission of Goods and Inward and Outward Processing

9.1 Temporary Admission of Goods

Each Member shall allow, as provided for in its laws and regulations, goods to be brought into its customs territory conditionally relieved, totally or partially, from payment of import duties and taxes if such goods are brought into its customs territory for a specific purpose, are intended for re-exportation within a specific period, and have not undergone any change except normal depreciation and wastage due to the use made of them.

Laws and Regulations

Administrative Measures of the Customs of the People's Republic of China for Goods Temporarily Imported or Exported has explicit provisions on

goods temporarily imported for exhibitions, cultural or sports events, news reports, scientific research, teaching, medical treatment, charity activities, etc. and articles temporarily imported as samples. (Link 10.34)

General Comment

The implementation is adequate.

9.2 Inward and Outward Processing

(a) Each Member shall allow, as provided for in its laws and regulations, inward and outward processing of goods. Goods allowed for outward processing may be reimported with total or partial exemption from import duties and taxes in accordance with the Member's laws and regulations.

※Inward Manufacturing and Processing

Laws and Regulations

China has been conducting inward processing for more than three decades and has a relatively sound system of administrative measures on inward processing for which payment of duties and taxes is deferred. These measures include:

Decree of GACC No. 219 Measures of the People's Republic of China on Customs Supervision and Administration of Goods in Processing Trade; (Link 10.35)

Decree of GACC No. 155 Measures of the People's Republic of China on Customs Administration of Unit Consumption in Processing Trade; (Link 10.36)

Announcement of GACC No. 21 [2014] Announcement of the Customs of the People's Republic of China on Issues concerning Implementation of Measures of the Customs of the People's Republic of China on Control of Processing Trade Goods; (Link 10.37)

Decree of GACC No. 150 Measures of the Customs of the People's Republic of China on Cyber-based Supervision and Administration of Enterprises Engaging in Processing Trade; (Link 10.38)

General Comment

The system of inward processing is complete.

Recommendations

There are many negotiable contents in China's regulations on inward processing regime including the scope of products permitted for inward processing, lists of products on which China imposes prohibitions and restrictions for processing trade, unit consumption, verification, expendable materials, etc. We recommend that the customs and commerce authorities probe into and solve the problems.

※Inward Maintenance

Laws and Regulations

So far, China has rather complex regulations on inward maintenance. (Link 10.39)

1. Most products made in China are allowed for inward maintenance except for those prohibited from processing trade, such as medical equipment and parts thereof and game consoles.
2. Some products made by enterprises outside China can be maintained in areas under special customs supervision, while enterprises outside such areas cannot engage in inward maintenance (with a few exceptions).

Recommendations

Considering the trend of economic globalization, the regime for inward maintenance of domestically-or foreign-made common products, electronic products, and medical equipment should be rendered more reasonable after in-depth research by China Customs and commerce authorities.

※Outward Processing

Laws and Regulations

Article 29 of Decree of GACC No. 213 provides for duties on the goods that may be temporarily exported for processing and then re-imported. The

Article stipulates that "when goods that are transported outside China are declared to the customs at the time of exit and are transported into China within the period as required by the customs, the customs valuation of the goods shall be based on costs of processing, raw materials and parts incurred abroad, costs of inward transportation and other expenses incurred thereof, and premiums." (Link 10.40)

Implementation

In December, 2012, GACC approved Changchun Customs' application for "outward processing". Since then, China Customs has embarked upon pilot programs of outward processing at some enterprises. In 2015, GACC mentioned that it would encourage pilot programs of outward processing in such free trade zones as in the following measures: Several Measures for Supporting and Promoting the Construction and Development of China (Fujian) Pilot Free Trade Zone, Several Measures for Supporting and Promoting the Construction and Development of China (Tianjin) Pilot Free Trade Zone, and Several Measures for Supporting and Promoting the Construction and Development of China (Guangdong) Pilot Free Trade Zone. (Link 10.41)

Xiamen Customs, Dalian Customs, etc. have also started outward processing.

At the end of 2016, GACC issued Announcement No. 69, which further standardizes the outbound processing business. (Link 10.42)

General Comment

In general, outward processing is still at an early stage.

Recommendations

Detailed regulations on outward processing should be formulated as soon as possible.

※Outward Maintenance

General Comment

The present systems of outward maintenance of imported or domestic

products are relatively well-developed. (Links 10.43 and 10.44)

(b) For the purposes of this Article, the term "inward processing" means the customs procedure under which certain goods can be brought into a Member's customs territory conditionally relieved, totally or partially, from payment of import duties and taxes, or eligible for duty drawback, on the basis that such goods are intended for manufacturing, processing, or repair and subsequent exportation.

(c) For the purposes of this Article, the term "outward processing" means the customs procedure under which goods which are in free circulation in a Member's customs territory may be temporarily exported for manufacturing, processing, or repair abroad and then re-imported.

ARTICLE 11: FREEDOM OF TRANSIT

1 Any regulations or formalities in connection with traffic in transit imposed by a Member shall not be:

Laws and Regulations

China has introduced customs and Inspection and Quarantine regulations on traffic in transit and has not imposed any disguised restriction on traffic in transit. (Links 11.1, 11.2, 11.3, 11.4, 11.5 and 11.6)

Based on results of risk analysis, assessment and examination, Inspection and Quarantine agencies negotiate with the participating authorities of exporting countries or regions about the requirements for inspection and quarantine, and about signing bilateral agreements or determine the certificate of inspection and quarantine.

General Comment

The implementation is adequate.

(a) maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a reasonably available less trade-restrictive manner;

(b) applied in a manner that would constitute a disguised restriction on traffic in transit.

2 Traffic in transit shall not be conditioned upon collection of any fees or charges imposed in respect of transit, except the charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered.

Laws and Regulations

Article 13 of Decree of GACC No. 38 Measures of the People's Republic of China on Customs Supervision and Administration of Goods in Transit provides, "...Based on the actual situation, when the customs needs to dispatch personnel to guard the goods in transit, the operator or the

carrier shall provide means of transportation and facilitate the mission of supervision and pay the charges according to regulations."

Implementation

According to Decree of GACC No. 38 Measures of the People's Republic of China on Customs Supervision and Administration of Goods in Transit, administrative expenses may be incurred by the use of customs convoy. But the expenses will not be incurred because they are not included in the lists of administrative charges of national and central government departments, or the current list of administrative charges of the customs.

Inspection and Quarantine agencies have not levied additional fees or charges on goods in transit. (Link 11.7)

General Comment

The implementation is adequate.

3 Members shall not seek, take, or maintain any voluntary restraints or any other similar measures on traffic in transit. This is without prejudice to existing and future national regulations, bilateral or multilateral arrangements related to regulating transport, consistent with WTO rules.

Implementation

The Chinese government has not taken any additional voluntary restraints or any other similar measures on traffic in transit.

General Comment

The implementation is adequate.

4 Each Member shall accord to products which will be in transit through the territory of any other Member treatment no less favourable than that which would be accorded to such products if they were being transported from their place of origin to their destination without going through the territory of such other Member.

Implementation

The Chinese government has not imposed restraints on products that are in transit through the territory of any other Member.

General Comment

The implementation is adequate.

5 Members are encouraged to make available, where practicable, physically separate infrastructure (such as lanes, berths and similar) for traffic in transit.

Implementation

At present, some customs in China have opened green channels for goods in transit. (Links 11.8 and 11.9)

General Comment

The implementation is relatively adequate.

6 Formalities, documentation requirements, and customs controls in connection with traffic in transit shall not be more burdensome than necessary to:

Implementation

The present formalities, documentation requirements, and customs controls in connection with traffic in transit have not been more burdensome for enterprises.

General Comment

The implementation is adequate.

(a) identify the goods; and

(b) ensure fulfilment of transit requirements.

7 Once goods have been put under a transit procedure and have been authorized to proceed from the point of origination in a Member's territory, they will not be subject to any customs charges nor unnecessary delays or restrictions until they conclude their transit at the point of destination within the Member's territory.

Implementation

According to Decree of GACC No. 38 Measures of the People's Republic

of China on Customs Supervision and Administration of Goods in Transit, administrative expenses may be incurred by the use of customs convoys. But the expenses will not be incurred because they are not included in the lists of administrative charges of national and central government departments, or the current list of administrative charges of the customs. (Links 11.10, 11.11 and 11.12)

Goods in transit are not subject to any customs charges nor unnecessary delays or restrictions throughout the present process.

General Comment

The Customs of China meets such requirement.

8 Members shall not apply technical regulations and conformity assessment procedures within the meaning of the Agreement on Technical Barriers to Trade to goods in transit.

Implementation

At present, China's authority of transit has not applied technical regulations and conformity assessment procedures within the meaning of the Agreement on Technical Barriers to Trade to goods in transit.

General Comment

The implementation is adequate.

9 Members shall allow and provide for advance filing and processing of transit documentation and data prior to the arrival of goods.

Implementation

The Customs of China allows advance filing and processing of transit documentation and data.

General Comment

The implementation is adequate.

10 Once traffic in transit has reached the customs office where it exits the territory of a Member, that office shall promptly terminate the transit operation if transit requirements have been met.

Implementation

Generally, once traffic in transit has reached the customs office where it exits the territory, the Customs of China will promptly terminate the transit operation if transit requirements have been met.

General Comment

The implementation is adequate.

11 Where a Member requires a guarantee in the form of a surety, deposit or other appropriate monetary or non-monetary instrument for traffic in transit, such guarantee shall be limited to ensuring that requirements arising from such traffic in transit are fulfilled.

Laws and Regulations

The Customs of China has such regulation. Article 5 of Decree of the State Council No. 581 Regulations of the People's Republic of China on Guarantee for Customs Affairs stipulates that "where a party engages in goods and traffic in transit, he or she shall provide guarantee as required by the customs." (Link 11.13)

General Comment

The implementation is adequate.

12 Once the Member has determined that its transit requirements have been satisfied, the guarantee shall be discharged without delay.

Laws and Regulations

China Customs has such arrangement. Regulations of the People's Republic of China on Guarantee for Customs Affairs provides that "when a party has fulfilled the relevant legal obligations or a party of the customs has ceased handling specific customs affairs, the party shall be notified in writing to complete formalities of the discharge of the guarantee and the restoration of the rights." (Link 11.14)

General Comment

The implementation is adequate.

13 Each Member shall, in a manner consistent with its laws and regulations, allow comprehensive guarantees which include multiple transactions for same operators or renewal of guarantees without discharge for subsequent consignments.

Laws and Regulations

China Customs allows comprehensive guarantees which include multiple transactions for same operators.

Article 5 of Decree of the State Council No. 581 Regulations of the People's Republic of China on Guarantee for Customs Affairs provides that "where a party engages in goods and traffic in transit, he or she shall provide guarantee as required by the customs."

Article 11 reads, "The party that handles the same kind of customs affairs more than once within a specific period may apply to the customs for comprehensive guarantees. Where customs accepts the comprehensive guarantees, the party will no longer provide any separate guarantee when he or she handles the same kind of customs affairs." (Link 11.15)

General Comment

The implementation is adequate.

14 Each Member shall make publicly available the relevant information it uses to set the guarantee, including single transaction and, where applicable, multiple transaction guarantee.

Laws and Regulations

China Customs has such arrangement.

Decree of GACC No. 88 provides, "A transportation enterprise undertaking goods under customs supervision, according to the provisions of Articles 67 and 68 of Customs Law, shall have the guarantee as provided by any legal person, other organization or citizen that has the ability of performing the guarantee for customs affairs." (Link 11.16)

General Comment

The implementation is adequate.

15 Each Member may require the use of customs convoys or customs escorts for traffic in transit only in circumstances presenting high risks or when compliance with customs laws and regulations cannot be ensured through the use of guarantees. General rules applicable to customs convoys or customs escorts shall be published in accordance with Article 1.

Laws and Regulations

China Customs has such provision.

Article 13 of Decree of GACC No. 38 Measures of the People's Republic of China on Customs Supervision and Administration of Goods in Transit provides, "After the entry of and before the exit of goods in transit, they shall be transported along the route as planned by the authorities of transportation; if the authorities of transportation do not plan the route, customs shall designate a route instead.

Based on the actual situation, when customs needs to dispatch personnel to guard the goods in transit, the operator or the carrier shall provide means of transportation free of charge and facilitate the mission of supervision and pay the charges according to regulations."

Implementation

In practice, it is rare that customs needs to dispatch personnel to guard the goods in transit.

General Comment

The implementation is adequate.

16 Members shall endeavour to cooperate and coordinate with one another with a view to enhancing freedom of transit. Such cooperation and coordination may include, but is not limited to, an understanding on:

Implementation

China has such arrangement. (Link 11.17 and 11.18) For example, China

signed agreement with Russia on goods in transit through the territory of Kazakhstan. China also reinitiated the agreement with Pakistan, Kazakhstan, and Kyrgyzstan on traffic in transit.

- (a) charges;
- (b) formalities and legal requirements; and
- (c) the practical operation of transit regimes.

17 Each Member shall endeavour to appoint a national transit coordinator to which all enquiries and proposals by other Members relating to the good functioning of transit operations can be addressed.

Implementation

Departments of economy and trade and transportation of the state are national transit coordinators.

Article 3 of Decree of GACC No. 38 Measures of the People's Republic of China on Customs Supervision and Administration of Goods in Transit provides, "Transit goods from countries which have entered into agreements on transit goods with China or transit goods shipped from or to countries which have entered into agreements on international railroad through-transportation with China shall be allowed to pass through China pursuant to the provisions of the relevant agreements; and transit goods of countries which have not entered into the aforesaid agreements with China shall be allowed to pass through China upon approval from the economic and trade and the transport administrative departments of the state and recordation with the customs office at the place of entry."

General Comment

The implementation is adequate.

**Special Reports on Major
Progresses of Trade
Facilitation in China**

Comprehensive and In-depth Integration of Customs and Inspection & Quarantine Business

Li Yue, Yu Deshui

Meaning

In recent years, China Customs has continuously deepened the reform. Especially at the first session of the 13th National People's Congress, the institutional reform plan of the State Council was deliberated and adopted. It's clearly stipulated in the plan, "The entry and exit inspection and quarantine duties and teams of AQSIQ will be integrated into GACC." Since April 20, 2018, the workforce of customs and inspection and quarantine has operated in the name of customs. This is a great change in port governance structure in recent years, which will bring great changes to port management.

Documents issued by the State Council

It's clearly stipulated in the Institutional Reform Plan of the State Council, "The entry and exit inspection and quarantine duties and teams of AQSIQ will be integrated into GACC."^①

In the Regulations on the Function Allocation, Institutions and Staffing of GACC,^② the function allocation, institutions and staffing of GACC are specified, and four business bureaus, namely, health quarantine, animal and plant quarantine, import and export food safety and commodity inspection, have been added to the original inspection and quarantine department.

Documents issued by GACC

In order to promote integration of customs inspection business, GACC issued:

Decree of GACC No. 238 and No. 239.^③

① Institutional Reform Plan of the State Council: http://www.gov.cn/xinwen/2018-03/17/content_5275116.htm

② Regulations on the Function Allocation, Institutions and Staffing of GACC: <http://weixin.antionchina.com/Index/View?aid=DqC&from=singlemessage&isappinstalled=0>

③ For details of Decree of GACC No. 238 and 239 and their interpretation, see the article published through China Customs' WeChat public account, on May 7, 2018, Department of Policies and Regulations of GACC Tells You Why These Regulations are Amended or Abolished: https://mp.weixin.qq.com/s/NdsZyWhSMzzWr_t9lidZg

Decree of GACC No. 240 and No. 241.^①

Comprehensive Integration of Customs Inspection Business

Since April 20, the customs, inspection and quarantine administrative examination and approval items have been comprehensively integrated and handled in one window. Enterprises get the customs declaration and inspection application qualifications at the same time of first registration; “one declaration, one inspection and one release” for the goods clearance, and “one inspection” for the articles carried by entry and exit passengers have been implemented, and the original 26 express inspection processes has been reduced to 10, improving the efficiency of port clearance and reducing the cost of customs clearance. Next, GACC will, in accordance with the requirements of “chemical reaction” and “reinvention”, focus on optimization, synergy and efficiency, effectively change its functions, ways and styles, and make every effort to carry out the tasks of follow-up institutional reform so as to ensure that the tasks of the reform are fully fulfilled in accordance with the requirements, time limit and steps.

First, to build a new customs. GACC will take institutional reform as an important opportunity, adhere to principles of constructing customs politically, strengthening customs through reforms, controlling customs according to law, invigorating customs through science and technology, strictly managing customs, promote deep and organic integration of customs inspection business in alignment with the highest international standards, and strive to build a new socialist customs with Chinese characteristics in the new era. Second, to construct a new system, integrate institutional settings, optimize the allocation of functions, re-establish the customs clearance process, and create the most advanced and internationally competitive customs supervision system and mechanism. Third, to carry out new actions, implement the overall national security concept, adhere to the people-centered development concept, strengthen supervision and optimize services at the same time, complete the “Five Unities” of declaration documents, operation system, risk research and judgment, instructions issuing and on-site law enforcement by the end of December, greatly improve the level of port risk prevention and control and customs clearance efficiency, and create stability to establish a fair, transparent, legal and predictable business environment, reduce the institutional transaction costs of import and

① Decree of GACC No. 240: <https://mp.weixin.qq.com/s/VG0W9bQrAHyTKeXRRdT9rA>
Decree of GACC No. 241: <https://mp.weixin.qq.com/s/-T60scrVjwxrdOn3oSiLZQ>

For detailed interpretation of the two decrees of GACC, see the article published through China Customs' WeChat public account, on June 8, 2018, Reducing Documents from 132 to 40, a Reduction of 70%, GACC Amends and Abolishes 84 regulations.

export links, and enhance the sense of access of import and export enterprises and the masses.^①

The effects are instant and obvious. First, since May 29, 2018, GACC has promulgated the Decision of GACC on Amending Some Regulations (Decree No. 240) and the Decision of GACC on Abolishing Some Regulations (Decree No. 241). By amending or abolishing 84 regulations, GACC has reduced the 132 kinds of documents required to be submitted by administrative counterparts to 40 (down 70%), effectively reducing institutional transaction costs and continuously improving the business environment. Second, since June 1, 2018, GACC has formulated and issued announcements to cancel the Customs Declaration on Inbound and Outbound Goods and to implement the reform of the unification of annual statements and multiple statements.^② Third, since August 1, 2018, integrated declaration of customs imports and exports goods has been implemented; the customs declaration and inspection application have been merged into a single declaration form; a total of 229 goods declaration data items of the original declaration and inspection application have been streamlined to 105, significantly reducing the number of enterprise declaration items. The declaration integration program is a landmark reform measure for the integration of customs and inspection business. It will change the original customs declaration process and operation mode of enterprises and realize the declaration of goods with one integrated form for customs declaration and inspection.^③ Fourth, GACC has promoted the in-depth integration of customs goods supervision and inspection operations, as well as the transformation and optimization of customs supervision responsibilities. According to the unified deployment of GACC, each local customs will implement the “1+1” joint operation in succession during goods inspection, and continue to release the reform dividends of customs agencies.^④ Fifth, at the end of August, GACC issued the plan for “three determinations”, determination of institutions, staffing and functions, and added 4 business departments and

① See the article published through China Customs' WeChat public account, on May 25, 2018: Ni Yuefeng, Minister of GACC: Building a New Customs with Chinese characteristics, which will reassure the Party Central Committee and satisfy the people: <https://mp.weixin.qq.com/s/66jj3GFpp5xnsHya6gLNiA>

② Notice of GACC No. 50 of 2018, Notice of GACC on the Complete Cancellation of Customs Declaration of Inbound/Outbound Goods: <http://www.customs.gov.cn/customs/302249/302266/302267/1867743/index.html>; Notice of State Administration for Market Regulation [2018] No. 9, Notice of GACC and State Administration for Market Regulation on the Implementation of the Reform of Integration of Annual Statements and Multiple Statements: <http://www.customs.gov.cn/customs/302249/302266/302269/1869304/index.html>

③ Announcement of GACC No. 60 of 2018 on the Revision of the Standards on Completion of Customs Declaration Forms for Import/Export Goods: <http://www.customs.gov.cn/customs/302249/302266/302267/1898145/index.html>; 海
Announcement of GACC No. 61 of 2018 on Revision of the Format of Customs Declaration Forms for Import/Export Goods and Filing List for Entry and Exit Goods: <http://www.customs.gov.cn/customs/302249/302266/302267/1903102/index.html>; Announcement of GACC No. 67 of 2018 on the Format of Electronic Documents of Customs Declaration Forms for Import/Export Goods: <http://www.customs.gov.cn/customs/302249/302266/302267/1905646/index.html>

④ For details see the article published on Guangzhou Customs' WeChat Public Account on August 15, 2018 List of Joint Operation Modes for Integration of Inspection and Verification: <https://mp.weixin.qq.com/s/dg61RCXwSBLMDXyPuSaR3g>

bureaus, namely, health quarantine, animal and plant quarantine, import and export food safety, commodity inspection of the original inspection and quarantine departments. The plans straightened out the administrative organs and laid a good foundation for further promoting the integration of customs and inspection business and building a new socialist customs with Chinese characteristics in the new era.

The Construction and Development of Single-Window in China's International Trade

Guo Guo

Definition

Single window refers to a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic then individual data elements should only be submitted once.^①

Generally, it is understood that the concept of single window consists of four elements: the first one is one-time submission, which means that enterprises only need to submit relevant information to competent authorities once; the second one is through one single entry point, which has a uniformed platform or unified computer interface; the third is to use unified standards on data; and the fourth is able to fulfill the requirements of government administration agencies and enterprises.

Requirements in the State Council Documents

State Council's Several Opinions on Supporting the Steady Growth of International Trade (Guobanfa [2014] No. 19)^②

The Notice of the State Council on the Issuance of Implementing the Reform Plan on "Three Mutuality" to Promote the Construction of Integrated Customs Clearance (Guofa [2014] No. 68)^③

2016 Report on the Work of the Government [Report on the Work of the Government, http://news.xinhuanet.com/fortune/2016-03/05/c_128775704.htm]

The Framework Opinions of the National Port Administration Office on the Construction of

① Economic Commission for Europe, UN/CEFACT, Recommendation and Guidelines on establishing a Single Window to enhance the efficient exchange of information between trade and government (Recommendation No. 33), P3, <http://www.unece.org/tradewelcome/un-centre-for-trade-facilitation-and-e-business-uncefact/outputs/cefactrecommendationsrec-index/list-of-trade-facilitation-recommendations-n-31-to-36.html>

② http://www.gov.cn/zhengce/content/2014-05/15/content_8812.htm

③ The Notice of the State Council on the Issuance of Implementing the Reform Plan on "Three Mutuality" to Promote the Construction of Integrated Customs Clearance (Guofa [2014] No. 68), http://www.gov.cn/zhengce/content/2015-02/03/content_9448.htm

International Trade "Single Window" (Shu' an Letter [2016] No. 498)^①

Notice of the State Office of Customs Ports on the Printing and Issuing of Measures for Promoting the Level of Cross-border Trade Facilitation (for Trial Implementation)^②

Documents by the Customs and Relevant Ministries

Cooperation Memorandum on Deepening Cooperation in Customs and former AQSIQ to Jointly Promote the Stable Growth of International Trade between the General Administration of Customs (GAC) and the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ)^③

Matters Relating to the Merger of Qualifications for Enterprise Customs Declaration and Inspection (General Administration of Customs Notice No. 28, 2018)^④

The Structure of Single Window Construction

GACC has taken the lead in international trade single window construction and 18 government departments (which have changed since the institutional reform of the State Council) have jointly promoted it.

The basic structure of the overall layout of single window construction is described as followed: at central level, the China E-Port Platform is used for integration of systems of local ports management and departments relevant to international trade in a "central-to-central" approach to achieve exchange and sharing of information as well as data, and to match international cooperation.^⑤

In mid-2017, China launched a standardized version of international trade single window. Those existing local single window will be upgraded according to the unified standards and codes and will change to the standardized version. For those places that don't have a single window system, in principle it is suggested to promote the use of standardized version. Further, those

① The State Council Office of Inter-Ministerial Joint Meeting on Port Administration Issued The Framework Opinions of the National Port Administration Office on the Construction of International Trade "Single Window", <http://www.singlewindow.cn/tzgg/1652.jhtml>

② Notice of the State Office of Customs Ports on the Printing and Issuing of Measures for Promoting the Level of Cross-border Trade Facilitation (for Trial Implementation):<http://www.singlewindow.cn/tzgg/3280.jhtml>

③ GAC and AQSIQ Signed Memorandum to Deepen the Cooperation in Customs and Inspection to Jointly Promote the Stable Growth of International Trade, <http://www.customs.gov.cn/publish/portal0/tab49564/info713442.htm>

④ Matters Relating to the Merger of Qualifications for Enterprise Customs Declaration and Inspection (General Administration of Customs Notice No. 28, 2018): <http://www.customs.gov.cn/customs/302249/302266/302267/1662054/index.html>

⑤ The State Council Office of Inter-Ministerial Joint Meeting on Port Administration Issued The Framework Opinions of the National Port Administration Office on the Construction of International Trade "Single Window", <http://www.singlewindow.cn/tzgg/1652.jhtml>

places that don't have an E-port platform, they can rely on the China E-Port Platform and use the standardized version.^①

By the end of November 2017, the standardized version of international trade “single window” had been implemented to cover the whole country (except Hong Kong, Macao and Taiwan), with a daily declaration of more than 100,000 business orders and a total of 35,000 registered users.^② By the beginning of February 2018, the volume of single day declarations had exceeded 570,000, including 146,000 goods declarations per day.^③

Reform in the Customs Clearance Practice Procedures

On 31st Dec 2016, the unified portal website “China International Trade Single Window” was officially launched online.^④

By the end of August 2018, the standardized version of the international trade “single window” (i.e. the “central standard application” module of the local “single window” websites) had covered a total of 12 basic business functions, including online processing enterprise qualification, licensing, license application and receiving, application and receiving of certificate of origin, vehicle declaration, manifest declaration, goods declaration, processing trade, tax payment, cross-border electronic commerce, goods clearance, export tax rebate, query statistics. On some local “single window” websites, based on local characteristics, “local characteristic applications” and other services have been introduced.^⑤ The system of free declaration has been implemented for “single window”..

Development Goals

The standardized version of international trade single windows had been launched at all ports nationwide by the end of 2017.^⑥ As for its next development trend, it is expected to be in line

① GAC: Promote the Standardized Version of International Trade Single Window, <http://www.customs.gov.cn/publish/portal0/tab44653/info841912.htm>

② International trade single window covers the whole country: <http://www.customs.gov.cn/customs/302249/302425/748361/index.html>

③ “Single window” provides convenient clearance to support sustainable development of cross-border e-commerce, the keynote speech delivered at the First Global Cross-Border E-Commerce Conference by Zhang Guangzhi, Member of Party Leadership Group of GACC and Director of State Office of Customs Ports: <http://www.singlewindow.cn/dbfile.svl?n=/u/cms/www/201802/122216568mhq.pdf>;

④ About Us, <http://www.singlewindow.cn/gywm/index.jhtml>

⑤ See the “I want to do” column on each local single window website, for example, China (Shenzhen) International Trade Single Window: <http://sz.singlewindow.cn/>

⑥ Li Keqiang: Speed Up the Construction of International Trade Single Window and All Ports Nationwide Covered by the Standardized Version, <http://www.singlewindow.cn/xwdt/1960.jhtml>

with the State Council’s institutional reform and “three mutuals” promotion to further expand functions, simplify processes, achieve interconnection with more departments and processes, and enhance integration with international standards.^①

① Refer to Notice of the State Office of Customs Ports on the Printing and Issuing of Measures for Promoting the Level of Cross-border Trade Facilitation (for Trial Implementation) and “Single window” provides convenient clearance to support sustainable development of cross-border e-commerce, the keynote speech delivered at the First Global Cross-Border E-Commerce Conference by Zhang Guangzhi, Member of Party Leadership Group of GACC and Director of State Office of Customs Ports

Evaluation of the AEO system and China Customs Enterprise Credit Management System

Xiong Bin

Process of China's AEO System

China signed the Letter of Intent to implement the Framework of Standards to Secure and Facilitate Global Trade at the 105th/106 Annual Meeting of the WCO Council in June 2005. Over the next three years, China actively studied and practiced the AEO system and gradually established the AEO system of China Customs.

In accordance with the requirements of the AEO system, China Customs attaches importance to the top-level design and system construction of the import and export credit system. Since 2014, GACC has promulgated 10 standards and regulations in the form of department regulations, such as Decree No. 225 of GACC, the Interim Measures for the Credit Management of Customs Enterprises of the People's Republic of China, and Notice of GACC No. 82 of 2014 on Customs Certification Enterprise Standards, elevating the original customs enterprises classification management methods to the customs enterprises credit management methods, and initially establishing a relatively complete system of import and export credit management. All enterprises registered at China Customs are classified into advanced and general certification enterprises, general credit enterprises, general discredit enterprises according to their credit rating, and different management measures are taken accordingly.

According to the latest development in the construction of the national social credit system and the requirements of international cooperation, China Customs has revised the Decree No. 225 of GACC, the Interim Measures for the Credit Management of Customs Enterprises of the People's Republic of China. On May 1, 2018, GACC Decree No. 237, Measures for the Credit Management of Customs Enterprises of the People's Republic of China was formally implemented.

Decree No. 237 order made corresponding adjustments to enterprise management measures.

Comparison of Customs Management Measures

<i>Item</i>	<i>Advanced certification enterprise</i>	<i>General certification enterprise</i>	<i>General credit enterprise</i>	<i>Discredit enterprise</i>
Enterprise credit management status	International mutual recognition Covering the whole country Maximum convenience Certified every 3 years	Preferential and convenient Re-certified irregularly	Normal management	Close supervision
Business environment	Enhancing the overall competitiveness; contributing to international business cooperation and obtaining more customer orders.	Contributing to cooperation between business partners	Normal environment	Operation difficulties
Customer service coordinator	Assigned	Not assigned	Not assigned	Not assigned
Inspection rate	The average inspection rate of import and export goods is below 20% of the average inspection rate of general credit enterprises.	The average inspection rate of import and export goods is below 50% of the average inspection rate of general credit enterprises.	About 7%	The average inspection rate of import and export goods is more than 80%.
Clearance efficiency	Go through the inspection and release procedures in advance Declaration before the arrival at the customs supervision area Customs clearance facilitation measures in countries covered by AEO mutual recognition Reduce enterprise inspection and verification frequency Prioritized customs clearance after resumption of interrupted international trade	Simplifying the review of import and export goods documents, giving priority to customs clearance procedures for import and export goods.	Normal clearance	Key monitoring
Risk guarantee	Apply to customs for exemption from guarantees	Collect a amount of guarantee less than the total amount of tax that may be assumed or the amount stipulated by GACC.	Conventional guarantee	For enterprises engaged in the processing trade business, guarantee is provided in full.
Bank margin account system (processing trade enterprise)	No ledger; exemption from guarantee	Set up a ledger and pay part of the guarantee.	Set up a ledger and pay part of the guarantee.	Set up a ledger and pay the guarantee in full.
Customs support policy	Priority entitlement	Convenience entitlement	Normal entitlement	No entitlement

In addition, China Customs has put into operation the “Customs Enterprise Import and Export Credit Management System” which matches the Customs Credit Management System, established the “China Customs Enterprise Import and Export Credit Information Publicity Platform” and the “China Customs Enterprise Cooperation Platform”, with a good social response.

Progress and Arrangement of China Customs Credit System Construction

I. China Customs continuously improves the credit evaluation standard system of import and export enterprises by means of certification practice.

In 2017, China Customs completed the certification of more than 4,400 enterprises, including re-certification of 3,600 enterprises, with a three-year full coverage of advanced certification and an enterprise certification rate of 52.1%; reviewed more than 800 new enterprise applications, with an enterprise certification rate of 74.3%; dynamically adjusted the credit rating of enterprises to ensure that enterprises were appropriately certified. In 2017, China Customs has altogether adjusted the credit rating of enterprises more than 6500 times, including more than 1100 times to upgrade the credit rating of enterprises and more than 5400 times to downgrade the credit rating of enterprises.

By the end of August 2008, enterprises with advanced certification had totaled 3,200, accounting for about 1% of the total number of import and export enterprises, but the total value of import and export of these enterprises accounted for more than 30% of the total value of import and export. Enterprises with general certification totaled 33,300 across the country, accounting for about 10% of the total number of import and export enterprises.

II. China Customs earnestly implements joint disciplinary actions against discredit enterprises

In March 2017, 33 departments, such as GACC, National Development and Reform Commission and the People’s Bank of China, signed the Memorandum of Cooperation in Implementing Joint Disciplinary Measures against Customs Discredit Enterprises and issued it at a press conference of the State Council. Customs discredit enterprises will be subject to 39 joint disciplinary measures such as strengthening supervision, auditing, inspection and restrictive management.

By the end of January 2018, GACC had signed 26 joint memorandums of joint reward and punishment. In 2017, more than 500 discredit enterprises from seven departments, such as taxation, securities, finance and environmental protection, were jointly punished; the credit

rating of 56 certified enterprises was downgraded; the applications of general credit enterprises for certification were restricted; the risk distribution and control of all the above-mentioned enterprises were carried out and strict supervision and strict implementation of joint punishment measures were implemented.

China Customs has taken strict supervision and other disciplinary measures to increase the discredit enterprises' cost of credit breaking. The main management measures include: greatly increasing the inspection rate of import and export goods, increasing the frequency of inspection and verification of enterprises, and requiring full guarantee of processing trade. In view of these measures, the time of customs clearance of discredit enterprises is much higher than the average clearance time of all goods. Information related to discredit will also be shared with the courts, taxation, industry and commerce, securities supervision, environmental protection, security supervision and other departments, included into the "joint punishment for discredit" scope, so that the discredit enterprises are restricted in market operations everywhere.

According to statistics, from January to June 2018, the average inspection rate of advanced certification enterprises was 0.47%, 83.78% lower than that of general credit enterprises, while the average inspection rate of discredit enterprises was 94.19%.

III. China Customs strives to enhance trustworthy enterprises' sense of acquisition

Since the implementation of the customs credit management system, China Customs has continued to promote credit management and release favorable policies for trustworthy enterprises. Especially since the national customs integration reform, the effect of differentiated management of enterprises with different credit ratings is obvious, and the sense of enterprise acquisition is increasing. Let's take the import inspection rate and customs clearance time of enterprises as an example. From January to December 2017, the average inspection rate of imports of advanced certification enterprises, general certification enterprises, general credit enterprises and discredit enterprises was 0.79%, 3.51%, 7.26% and 93.98% respectively; the imported goods clearance time of advanced certification enterprises, general certification enterprises, general credit enterprises and discredit enterprises was 7.56 hours, 14.05 hours, 22.46 hours and 94.32 hours respectively.

IV. China Customs accelerates and improves AEO international mutual recognition

In 2017, China Customs made fruitful achievements in AEO mutual recognition cooperation, signed the agreement on AEO mutual recognition arrangements with the customs of 4 countries including Switzerland, New Zealand, Israel, and Australia. By the end of August 2018, China

Customs had realized mutual recognition with 8 economies and 35 countries (regions). China's advanced certification enterprises and import and export enterprises can enjoy clearance convenience when they export goods to and import goods from the above-mentioned countries (regions). Next, China Customs will accelerate the mutual recognition of AEO with key countries along the "Belt and Road" and important trading countries such as the United States and Japan, so that more and more import and export trustworthy enterprises will "go out" and realize "one clearance worldwide".

V. The international influence and discourse power of China Customs in the field of AEO cooperation has been enhanced.

In 2017, China Customs undertook the drafting of the WCO Guidelines for the Implementation of Mutual Recognition of AEO and actively participated in the formulation of AEO international rules. The Guidelines have now become an international standard.

In March and October 2017, GACC twice sent personnel to introduce and promote China Customs' AEO system to global customs at the World Customs Organization (WCO) SAFE General Assembly. In 2018, GACC was invited to submit to WCO a presentation on the China Customs Enterprise Credit Assessment System (CCEAS) program to promote relevant experience.

Thanks to its achievements in the field of AEO in recent years, China Customs has become an indispensable and important force in the international arena of AEO, and has attracted more and more attention and affirmation from WCO and customs of various countries.

VI. The "Customs Certification Enterprise Standards" is about to be revised and implemented.

On the basis of the official implementation of the Measures for the Credit Management of Customs Enterprises of the People's Republic of China, China Customs is speeding up the updating and improvement of the supporting systems such as the Customs Certification Enterprise Standards. At the same time, according to the deployment of the national institutional reform, GACC is vigorously promoting the integration of customs and the original inspection and quarantine business. Next it will formulate a unified customs credit management system based on the integration of customs and inspection and quarantine.

The revision of Measures for the Credit Management of Customs Enterprises of the People's Republic of China will focus on the formation of the 1+N enterprise certification standards for different types of enterprises, such as import and export consignees and consignors, customs

declaration enterprises, transport enterprises, express enterprises, cross-border e-commerce, foreign trade comprehensive service enterprises, supervisory area enterprises, etc. 1 refers to the general standard applicable to all enterprises; N is special standards which will be formulated according to the characteristics of different types of enterprises, so as to make the relevant standards more scientific and objective, and in line with the actual situation of enterprises.

Quantitative Assessment on Trade Facilitation in China

2018 Quantitative Assessment on Trade Facilitation in China

Beijing Re-code Trade Security and Facilitation Research Center

Aiming to conduct a quantitative assessment, which is part of Trade Facilitation Annual Report of China, Beijing Re-code Trade Security and Facilitation Research Center designed a specific questionnaire based on “Trade Facilitation Indicator System” developed by OECD and organized professionals for this assessment. 31 professionals^① participated the assessment of version 2018.

By statistics on the questionnaires filled by the professionals, this quantitative report is completed as a sub-report of Trade Facilitation Annual Report of China to give assessment of 11 aspects involving trade facilitation, which will enable readers to understand the current situation of the trade facilitation of China and changes from 2017 to 2018 intuitively and provide referential information for the policy-making in the fields of trade facilitation.

1 Methodology

1.1 Design of Indicator System

The indicator system of this report mainly makes reference to “OECD Trade Facilitation Indicator System”^②.

OECD Trade Facilitation Indicator System is developed according to WTO Trade Facilitation Agreement. It includes 17 first-level indicators, in which 155 sub-indicators are distributed. After studying these sub-indicators deeply, it is found that some of them are repetitive and unreasonable. Then this report finally set 145 sub-indicators after revision and adjustment.

The distribution of the sub-indicators among the first-level indicators is stated in the part of conclusion.

1.2 Scoring Methods

The workgroup in OECD responsible for trade facilitation assessment mainly applied two methods for scoring:

① Direct Score

① The 31 professionals are listed in the additional table at the end of the report.

② Detailed information can be found at: <https://sim.oecd.org/Simulator.ashx?lang=En&ds=TFI>

Based on the information from one economy's Customs official website, Customs code and related laws and regulations, questionnaire surveys targeting certain items, or related authoritative reports released by international organizations, scores on the indicators of this economy shall be given among 0, 1, or and 2 points (0 means relative poor performance, 1 means average performance, and 2 means good performance).

② Indirect Score

Indirect score means to translate related data or scores from some published international reports, databases or other sources into corresponding scores in the report by some kinds of rules.

After sub-indicators being scored, their upper first-level indicators are scored by taking weighted average of them. One economy's Trade Facilitation Index was formed by taking average of 11 first-level indicators.

The report adjusts the method of OECD in the following aspects:

① Indirect score would not be applied in most sub-indicators.

122 sub-indicators were scored directly by the 31 professionals. Remaining 23 sub-indicators were given descriptions which then translated to scores.

② Use 0-100 as the score range instead of 0-2.

In the method from OECD, assessors could only score 0, 1 or 2. But if some situation can only be described by a figure in between two of these three scores, it would be hard to give an exact answer. Using 0-100 as the score range avoids this problem and makes the assessment more accurate. In the final conclusions, the report also transforms the scores into 0-2 to facilitate the comparison with the assessment conclusion from OECD.

1.3 Score Statistics

① Weight Setting of the Sub-indicators

OECD has set a weight to each sub-indicator, but there are still some points that need to be reconsidered. This report applies the weight distribution proposed by three experts of the project, who are among the most authoritative in trade-related field in China. The specific statistical method is as follows:

The three experts separately evaluated the significance of each sub-indicator among these: average, fairly important, important, or extremely important. These evaluations correspond respectively to significance scores: 1, 2, 3, or 4. Then average significance scores from the three experts are counted. The weight of a sub-indicator is calculated by the percentage of its significance score of each sub-indicator in the sum of the significance scores of all the sub-indicators under their upper first-level indicator, and this will be the weight of it to its first-level indicator. Table 1 is an example, for the final weight setting please see the part of conclusion.

Table 1 How to set the weights of the sub-indicators

	<i>Sub-indicator A</i>	<i>Sub-indicator B</i>	<i>Sub-indicator C</i>
Significance (evaluated by Expert 1)	Average	Fairly important	Extremely important
Significance Score	1	2	4
Significance (evaluated by Expert 2)	Fairly important	Fairly important	Important
Significance Score	2	2	3
Significance (evaluated by Expert 3)	Average	Important	Extremely important
Significance Score	1	3	4
Average Score	4/3	7/3	11/3
Sum. of Average Scores	22/3		

② Weight Setting of the First-level Indicators

It is considered unreasonable that OECD calculates the final Trade Facilitation Index by simply averaging 11 first-level indicators without weight setting. This report sets the weights of the first-level indicators in the same way of the sub-indicators. (For the final weight setting, please see the part of conclusion.)

③ The Score Calculation of the Sub-indicators

Each sub-indicator has been scored by multiple professionals during the questionnaire survey. After removing one of the max scores and one of the minimum scores from each sub-indicator's scores, the average of the remaining scores will be the final score of that sub-indicator.

④ The Score Calculation of the First-level Indicators

Each first-level indicator will be scored based on the sub-indicators subjected to it with the method of weighted average.

⑤ Trade Facilitation Index Calculation

After setting the weight of the first-level indicators according to the previous statement, Trade Facilitation Index can be calculated from the weighted average of the 11 first-level indicators.

2 Assessment Conclusion

2.1 Scores of the Indicators

All the scores of the first-level indicators and the sub-indicators are shown below:

Table 2 Scores of the first-level indicators & the sub-indicators

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
<i>First-level Indicator</i>	<i>I. Information Availability</i>	<i>0.11</i>	<i>75.21</i>	<i>1.50</i>
<i>Sub-indicator</i>	1 Establishment of a national Customs website	0.06	81.59	1.63
	2 Possibility to provide online feedback to Customs	0.06	77.62	1.55
	3 Publication of rate of duties	0.05	85.45	1.71
	4 Establishment of enquiry points	0.05	79.07	1.58
	5 Enquiry points' operating hours	0.04	74.14	1.48
	6 Timeliness of enquiry points	0.05	69.23	1.38
	7 Information on import and export procedures	0.05	69.38	1.39
	8 Required documentation easily accessible for downloading	0.04	74.71	1.49
	9 Information about procedures published in advance of entry into force	0.06	72.69	1.45
	10 Average time between publication and entry into force	0.04	85.45	1.71
	11 Publication of agreements with any country or countries relating to the above issues	0.04	76.37	1.53
	12 Publication of information on procedural rules for appeal	0.05	75.37	1.51
	13 Publication of decisions and examples of Customs classification	0.05	74.15	1.48
	14 Publication of necessary information on advance rulings	0.06	73.18	1.46
	15 Penalty provisions for breaches of import and export formalities published	0.06	71.37	1.43
	16 Applicable legislation published on Internet	0.04	77.52	1.55
	17 Publication of judicial decisions on Customs matters	0.04	74.46	1.49
	18 Dedicated interactive page for professional users/ companies is developed to show and manage browsing history, search history, and enquiry items	0.03	72.41	1.45
	19 User manuals available online	0.03	73.00	1.46
	20 Quality/User friendliness of the research/help function of the Customs website	0.03	66.46	1.33
	21 Transparency of government policymaking	0.06	72.71	1.45
<i>First-level Indicator</i>	<i>II. Involvement of Trade Community</i>	<i>0.11</i>	<i>66.83</i>	<i>1.34</i>

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	22 Public consultations between traders and other interested parties and government	0.13	67.65	1.35
	23 General notice-and-comment framework procedures in place, applicable to trade and border issues	0.11	66.12	1.32
	24 Are there established guidelines and procedures in place, governing the public consultation process	0.13	64.27	1.29
	25 Targeted stakeholders	0.11	63.69	1.27
	26 Implementation of public consultation system during previous 3 years	0.12	62.92	1.26
	27 Drafts published prior to entry into force	0.13	67.19	1.34
	28 Public comments taken into account	0.13	67.19	1.34
	29 Communication of policy objectives	0.13	74.42	1.49
<i>First-level Indicator</i>	<i>III. Advance ruling</i>	<i>0.09</i>	<i>76.08</i>	<i>1.52</i>
Sub-indicator	30 Issuance of binding advance rulings	0.10	67.67	1.35
	31 Issuance of binding advance rulings on tariff classification	0.11	67.96	1.36
	32 Issuance of binding advance rulings on origin	0.10	70.71	1.41
	33 Length of time for which the advance ruling is valid (duration)	0.09	66.59	1.33
	34 Publication of the maximum time by which the advance ruling will be issued	0.11	78.30	1.57
	35 Maximum time by which the advance ruling will be issued AR maximum issuance time	0.11	97.70	1.95
	36 Possibility of advance rulings issued within the maximum issuance time	0.08	85.71	1.71
	37 Information on advance rulings of significant general interest published	0.11	76.48	1.53
	38 Possibility to request a review of an advance ruling or its revocation / modification	0.09	75.84	1.52
	39 Refusal to issue or the revocation of advance rulings is motivated	0.10	73.04	1.46
<i>First-level Indicator</i>	<i>IV. Appeal Procedures</i>	<i>0.10</i>	<i>72.55</i>	<i>1.45</i>
Sub-indicator	40 Is information on procedural rules for appeal publicly available	0.14	75.73	1.51
	41 Independent or higher level administrative and/or judicial appeal procedures available for customs decisions	0.13	74.71	1.49

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	42 Timeliness of the appeal mechanism – time available for lodging and appeal	0.10	73.00	1.46
	43 Timeliness of the appeal mechanism – avoidance of undue delays	0.09	71.37	1.43
	44 Information available on the motives of the administration's decisions	0.10	70.46	1.41
	45 Possibility of appeals that is finally resolved in favor of traders	0.10	84.20	1.68
	46 Time limit for deciding judicial appeals	0.10	72.42	1.45
	47 Efficiency of legal framework in challenging regulations	0.09	64.42	1.29
	48 Judicial independence extent	0.13	65.48	1.31
<i>First-level Indicator</i>	<i>V. Fees and Charges</i>	<i>0.09</i>	<i>82.30</i>	<i>1.65</i>
Sub-indicator	49 Information published on fees and charges	0.08	81.00	1.62
	50 Evaluation of fees and charges	0.07	78.93	1.58
	51 Information on fees and charges all-inclusive	0.07	80.15	1.60
	52 Total number of fees collected (number - diversity)	0.07	76.85	1.54
	53 Fees for answering enquiries and providing required forms and documents	0.07	94.04	1.88
	54 Fees and charges periodically reviewed to ensure they are still appropriate and relevant	0.07	77.00	1.54
	55 An adequate time period granted between the publication of new or amended fees and charges and their entry into force	0.07	78.48	1.57
	56 Fees for Customs services during normal working hours	0.05	97.26	1.95
	57 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - transparency	0.08	81.73	1.63
	58 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - proportionality	0.08	85.23	1.70
	59 Does the administration provide any explanation in writing on the basis for assessing and applying the penalty	0.07	78.93	1.58
	60 Conflicts of interest in the assessment and collection of penalties and duties	0.06	89.12	1.78

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	61 Is voluntary disclosure of the breach of customs regulation by the person responsible a mitigating factor when establishing penalties	0.10	80.69	1.61
	62 Level of total fees and charges	0.07	79.20	1.58
<i>First-level Indicator</i>	<i>VI. Documents</i>	<i>0.09</i>	<i>79.46</i>	<i>1.59</i>
Sub-indicator	63 Copies of documents accepted	0.11	80.27	1.61
	64 Percent of supporting documents required for import, export and transit formalities for which copies are accepted	0.11	70.85	1.42
	65 International Standards compliance	0.14	81.26	1.63
	66 Number of documents for import	0.14	93.76	1.88
	67 Number of documents for export	0.12	89.05	1.78
	68 Periodic review of documentation requirements	0.14	75.23	1.50
	69 Complexity of preparing documents for import	0.14	68.74	1.37
	70 Complexity of preparing documents for export	0.12	75.38	1.51
<i>First-level Indicator</i>	<i>VII. Automation</i>	<i>0.08</i>	<i>78.36</i>	<i>1.57</i>
Sub-indicator	71 Percent of import declarations cleared electronically	0.08	69.44	1.39
	72 Percent of export declarations cleared electronically	0.08	79.17	1.58
	73 Percent of import and export procedures that allow for electronic processing	0.07	67.86	1.36
	74 Pre-arrival processing supported by the possibility to lodge documents in advance in electronic format	0.08	72.96	1.46
	75 Percent of electronic payment of duties, taxes, fees and charges (including inspections fees, licenses, permits, other fees) collected upon importation and exportation	0.08	88.71	1.77
	76 Electronic payment system integrated with the automated declaration/cargo processing systems	0.08	85.29	1.71
	77 Risk Management applied and operating in an automated environment	0.08	80.57	1.61
	78 Single window supported by information technology	0.09	77.96	1.56
	79 IT Systems capable of accepting and exchanging data electronically	0.07	76.14	1.52
	80 Automated processing system include functions allowing for the release of goods subject to conditions (i.e. guarantee)	0.08	81.75	1.64

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	81 Digital certificates and signatures in place	0.08	82.32	1.65
	82 Automated processing for Customs declarations available full-time (24/7)	0.08	83.25	1.67
	83 Quality of telecommunications and IT	0.07	70.43	1.41
First-level Indicator	VIII. Procedures	0.09	83.37	1.67
Sub-indicator	84 Single Window	0.04	79.37	1.59
	85 Publication of Average Release Time	0.04	68.71	1.37
	86 Average import clearance time	0.04	90.02	1.80
	87 Average export clearance time	0.04	96.71	1.93
	88 Implementation of pre-arrival processing	0.04	72.48	1.45
	89 Percent of goods undergoing physical inspections	0.04	83.74	1.67
	90 Percentage of physical inspections for perishable goods	0.04	96.00	1.92
	91 Facilitation for perishable goods with regards to physical inspection –timeliness	0.03	81.39	1.63
	92 Facilitation for perishable goods with regards to physical inspection –timeliness – storage condition	0.03	81.50	1.63
	93 Release of goods separated from final determination and payment of Customs duties	0.03	82.67	1.65
	94 Percentage of releases for perishable goods prior to final determination and payment of Customs duties, taxes, fees and charges [0%~100%]	0.03	74.60	1.49
	95 Perishable goods treated differently than non-perishable goods concerning the separation of release from clearance	0.03	84.91	1.70
	96 Customs controls supported by a risk management system allowing risks to be assessed through appropriate selectivity criteria	0.03	87.07	1.74
	97 Other border controls supported by a risk management system	0.03	73.12	1.46
	98 Compliance with customs and other related laws and regulations supported by post-clearance audits (PCAs)	0.04	85.62	1.71
	99 Establishment of standard policies and procedures to guide PCAs	0.03	84.44	1.69
	100 Use of pre-shipment inspections required on Customs matters	0.02	79.71	1.59
	101 Possibility to provide additional trade facilitation measures to operators meeting specified criteria (authorized operators)	0.04	83.81	1.68

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	102 Transparency of the criteria for qualifying as an Authorized Operator and the procedures for submission and review of applications for AO status	0.03	82.37	1.65
	103 Can small and medium enterprises apply for qualification of Authorized Operator	0.04	83.22	1.66
	104 Time necessary on average to obtain Authorized Operator certification	0.03	73.04	1.46
	105 How many items can Authorized Operators enjoy from the following benefits?	0.04	94.23	1.88
	106 Adjustment of working hours of Customs personnel to commercial needs	0.02	76.96	1.54
	107 Requirement for clearance by a third-party customs broker	0.02	92.44	1.85
	108 Expedited release procedures	0.03	80.85	1.62
	109 Procedures for the re-export of rejected goods	0.03	80.69	1.61
	110 Temporary admission of goods and inward and outward processing	0.03	78.62	1.57
	111 Efficiency of Customs and delivery of imports	0.04	86.46	1.73
	112 Efficiency of Customs and delivery of exports	0.04	89.11	1.78
	113 Simplification of procedures (time)	0.03	88.67	1.77
	114 Simplification of procedures (cost)	0.03	85.44	1.71
	<i>First-level Indicator</i>	<i>IX. Internal border agency cooperation</i>	<i>0.09</i>	<i>73.18</i>
Sub-indicator	115 General cooperation and co-ordination of the activities of domestic agencies involved in the management of cross border trade, with a view to improving border control efficiency and facilitating trade	0.11	75.46	1.51
	116 How many following respects does institutionalised mechanism to support inter-agency coordination cover?	0.10	86.11	1.72
	117 Domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of border agency cooperation	0.08	71.72	1.43
	118 Domestic coordination / harmonization of data requirements and documentary controls among agencies involved in the management of cross border trade	0.10	72.08	1.44
	119 Interconnected or shared computer systems and real time availability of pertinent data among domestic agencies involved in the management of cross border trade	0.11	68.35	1.37

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
Sub-indicator	120 Domestic coordination of inspections among agencies involved in the management of cross border trade	0.08	73.23	1.46
	121 Shared results of inspections and controls among agencies involved in the management of cross border trade with a view to improving border control efficiency and facilitating trade	0.08	67.32	1.35
	122 Control delegation at the national level	0.07	72.52	1.45
	123 Coordinated / shared risk management mechanisms	0.10	72.73	1.45
	124 Coordination among domestic agencies involved in the management of cross border trade with regards to Authorized Operators programs	0.10	73.35	1.47
	125 Coordinated / shared infrastructure and equipment use	0.08	71.12	1.42
<i>First-level Indicator</i>	<i>X. External Border Agency Cooperation</i>	<i>0.07</i>	<i>69.72</i>	<i>1.39</i>
Sub-indicator	126 Cross-border cooperation and co-ordination of the activities of agencies involved in the management of cross border trade	0.10	71.08	1.42
	127 Alignment of working days and hours with neighboring countries at land borders where applicable	0.08	67.71	1.35
	128 Alignment of procedures and formalities with neighboring countries at borders where applicable	0.08	68.39	1.37
	129 Cross-border coordination / harmonization of data requirements and documentary controls	0.10	67.65	1.35
	130 Cross-border coordination / harmonization of the different computer systems	0.10	65.26	1.31
	131 Risk management cooperation	0.10	69.39	1.39
	132 Systematic sharing of control results among neighboring countries at border crossings with a view to improving the risk analysis as well as the efficiency of border controls and to facilitating licit trade	0.08	67.62	1.35
	133 Development and sharing of common facilities with neighboring countries at border crossings, where applicable	0.08	64.76	1.30
	134 Joint controls with neighboring countries at border crossings, where applicable	0.10	66.76	1.34
	135 How many following issues does the Mutual Recognition Agreements/Arrangements on Authorized Operators (AOs) cover?	0.10	84.00	1.68
	136 Exchange of staff and training programmes at the international level	0.10	73.04	1.46

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
<i>First-level Indicator</i>	<i>XI. Governance and Impartiality</i>	0.08	78.71	1.57
Sub-indicator	137 Transparent structures and functions in the border agencies clearly established	0.13	76.63	1.53
	138 Ethics policy applied to border agencies	0.10	82.26	1.65
	139 Code of Conduct established in border agencies	0.12	80.58	1.61
	140 Effective sanctions against misconduct of border agency staff	0.10	81.52	1.63
	141 Implementation and transparency of sanctions against misconduct	0.12	73.93	1.48
	142 Efficient internal communication about policies and procedures of agencies involved in the border process	0.10	69.44	1.39
	143 Internal audit mechanism established in the various agencies involved in the border process	0.12	82.81	1.66
	144 Clear provisions for the financing of the Customs administration	0.12	81.85	1.64
	145 Publication of an annual Customs report	0.10	79.36	1.59

The assessment scores show these conclusions:

① Several aspects of fairly good performance (scored more than 70): Information availability, advance rulings, appeal procedures, fees and charges, documents, automation, procedures, internal border agency cooperation, governance and impartiality.

② Several aspects of average performance (scored from 60 to 70): Trade community involvement, external border agency cooperation.

2.2 Overall Assessment

Based on the scores and weights of the first-level indicator, Trade Facilitation Index in this report is calculated:

Table 3 Scores and weights of the first-level indicators

<i>First-level Indicator</i>	<i>Information Availability</i>	<i>Involvement of Trade Community</i>	<i>Advance Rulings</i>	<i>Appeal Procedures</i>
Score(0-100)	75.21	66.83	76.08	72.55
Score(0-2)	1.50	1.34	1.52	1.45
Weight	0.11	0.11	0.09	0.10

<i>First-level Indicator</i>	<i>Fees and Charges</i>	<i>Formalities - documents</i>	<i>Formalities - automation</i>	<i>Formalities - procedures</i>
Score(0-100)	82.30	79.46	78.36	83.37
Score(0-2)	1.61	1.56	1.57	1.67
Weight	0.09	0.09	0.08	0.09
<i>First-level Indicator</i>	<i>Border Agency Cooperation (internal)</i>	<i>Border Agency Cooperation (external)</i>	<i>Governance and Impartiality</i>	
Score(0-100)	73.18	69.72	78.71	
Score(0-2)	1.46	1.39	1.57	
Weight	0.09	0.07	0.08	

2.3 Comparison with the Assessment of 2017

Through the radar map, it can be compared with the scores of 11 first-level indicators in the 2017 Quantitative Assessment on Trade Facilitation in China.

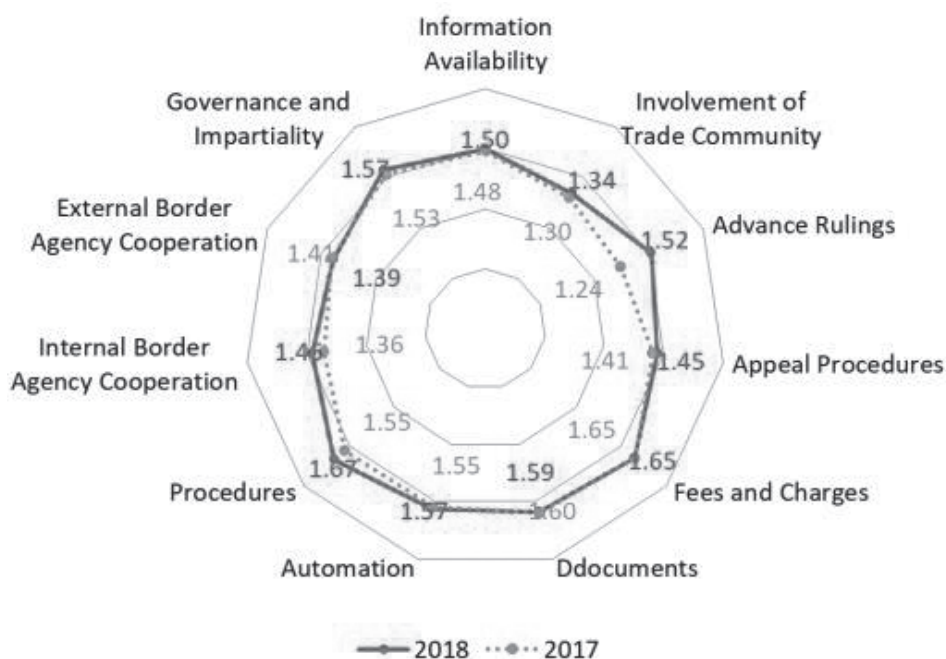


Figure 1: Scores on the trade facilitation in China (2017 & 2018)

Comparing with the situation of 2017, China has made obvious progress in the trade facilitation in three aspects: advance rulings, procedures and internal border agency cooperation, but un-obvious changes in the others.

Attachment : Survey Questionnaire of Online Assessment on Trade Facilitation in China

2018 Online Assessment on Trade Facilitation in China

Beijing Re-code Trade Security and Facilitation Research Center

Hope you can promote the trade facilitation in China with us!

Hope you can benefit from the trade facilitation in China like us!

Instructions :

1. This assessment project is based on the revision on “Trade Facilitation Assessment Indicator System” developed by OECD.
2. Please answer the questions based on the changes which occurred before July 1st, 2018.
3. The conclusion of the assessment will be a part of Trade Facilitation Annual Report of China (2019).
4. The questions with “*” are required, and the others are optional.
5. Please skip those questions for which you are not clear about the current situations, or you have difficulties in making accurate assessment.
6. This survey may cost you about 60-90 minutes but you can finish just a part at one time. Please use the same device (computer or cell-phone) to answer the questions and each time you log on the survey it will be set at the last question you answered previously.

After verifying the finished questionnaires from respondents, we will show our gratitude to them by:

- ① listing the respondents’ names in Trade Facilitation Annual Report of China (2019),
- ② presenting a copy of Trade Facilitation Annual Report of China (2019) to each respondent,
- ③ inviting the respondents to attend the release event of Trade Facilitation Annual Report of China (2019),
- ④ paying extra rewards to the ten respondents whose answers are most closed to the final conclusion of the assessment project.

This online assessment will be closed at August 20th, 2018. Please contact the research

center if there are any questions. (E-mail: ra4@re-code.org, Tel: 086-18800125788).

Personal Information (questions with “*” requires to be answered):

Name:*

Your business area (you can choose more than one option): *

- Import/export business
- Customs clearance
- Processing trade
- International logistics
- Compliance
- Other: _____

Company / organization you are working for:

Location:

Tel:

E-mail:

Would you like your name and the name of the company / organization you are working for to be listed in Trade Facilitation Annual Report of China (2019)? *

- My name and the company (organization)'s name can be listed.
- Only my name can be listed.
- Neither of them can be listed.

Please read the following example before the assessment.

Example: Assessing the indicator “Establishment of a national Customs website”.

1 Establishment of a national Customs website [Score: 0~100]

Benchmark:

0: There is no clearly identified Customs’ website on the Internet.

60: There is an official website with general information.

100: There is an official website, and detailed information related to import or export procedure could be obtained from the website (in at least one of the official WTO languages: English, French or Spanish).

Introduction:

You could give a score (0 to 100) for this indicator based on the benchmark and your knowledge and experiences. For instance, if you think that China Customs has established an official website with enough information and also developed an English website, yet the English website does not include enough information, you could score between 60 and 100 (like 76).

I. Information Availability (including 21 questions):

1 Establishment of a national Customs website [Score: 0~100]

Benchmark:

0: There is no clearly identified Customs’ website on the Internet.

60: There is an official website with general information.

100: There is an official website, and detailed information related to import or export procedure could be obtained from the website (in at least one of the official WTO languages: English, French or Spanish).

2 Possibility to provide online feedback to Customs [Score: 0~100]

This refers to the possibility for users to provide feedback on the organization of the website (user-friendliness of the website, availability of information, explanation on new systems)

Benchmark:

0: There is no possibility to provide feedback

60: There is a possibility by telephone or human contact only

100: There are many kinds of means (email, forms, online-window, seminar, etc.) to provide feedback

3 *Publication of rate of duties* [Score: 0~100]

Benchmark:

0: It is not possible to find the applicable rate of duties on the Customs website

50: There is information (or an electronic link) on the applicable rate of duties, but not detailed

80: There is detailed information (or an electronic link) on the applicable rate of duties

100: Information is kept up to date

4 *Establishment of enquiry points* [Score: 0~100]

Benchmark:

0: There are no enquiry points to answer reasonable enquiries

50: There is one or more enquiry point with limited ability to provide service

80: There is one or more enquiry points with ability to provide a full range of services in each major ports.

100: There is one or more enquiry points with ability to provide a full range of services in every port.

5 *Enquiry points' operating hours* [Score: 0~100]

Benchmark:

0: There are no enquiry points

60: Their operating hours are fixed to 8 hours in each legal working day and never be adjusted to cater to commercial needs (telephone centers operating less than the normal working hours / no possibility to submit enquiries online)

100: Enquiry points offer a full-time hotline (7/24). Enquiries may be submitted 7/24 and an answer will be provided within 24 hours on working days

6 *Timeliness of enquiry points* [Score: 0~100]

Benchmark:

0: A time limit is set to feedback to enquiries

50: A time limit is set to feedback to enquiries, but not strictly executed

100: The administration's service charter indicates a standard time of response for the various means of enquiry (telephone, email or written correspondence), taking into account the nature or complexity of the enquiry

7 Information on import and export procedures [Score: 0~100]

Benchmark:

0: Information on procedures and required forms and documents could not be provided

50: Relevant information is available but not detailed

80: Detailed information is available

100: Detailed information is available and easy to consult.

8 Required documentation easily accessible for downloading [Score: 0~100]

Benchmark:

0: No documents and forms required for the procedures of border agencies are available online

50: Some but not all documents and forms required for those procedures are available online

80: All required forms and documents required for the procedures of border agencies are available online

100: All required forms and documents required for the procedures of border agencies are available online, and corresponding instructions are attached.

9 Information about procedures published in advance of entry into force [Score: 0~100]

Benchmark:

0: There is no interval between the publication of new or amended trade related laws and regulations and their entry into force

50: There is only an interval for selected new or amended trade related laws and regulations

100: There is an interval between the publication of new or amended trade related laws and regulations and their entry into force

10 Average time between publication and entry into force (days)

11 Publication of agreements with any country or countries relating to the above issues [Score: 0~100]

Benchmark:

0: There is no information on the official Customs website about international agreements relating to importation, exportation or transit

60: Some of the agreements are available on the official Customs website

80: Most of the agreements are available on the official Customs website

100: All of the agreements are available on the official Customs website and timely updated

12 Publication of information on procedural rules for appeal [Score: 0~100]

Benchmark:

0: No information on appeal procedures is provided online

60: Information on appeal procedures is partly displayed online

100: Information is displayed and guidance on how to undertake these procedures is included or information is always given on an individual basis

13 Publication of decisions and examples of Customs classification [Score: 0~100]

Benchmark:

0: Decisions and examples of Customs classification are not published

60: Decisions and examples of Customs classification are partly published

80: Decisions and examples of Customs classification are fully published

100: Decisions and examples of Customs classification are fully published and timely updated

14 Publication of necessary information on advance rulings [Score: 0~100]

Benchmark:

0: Information is not published

50: Information is only available in the relevant legislation (Customs Code)

70: There is a specific page on the Customs website dealing with Advance Ruling procedures

100: There is a specific page and an online request procedure is available (e.g. forms sent by email)

15 Penalty provisions for breaches of import and export formalities published [Score: 0~100]

Benchmark:

0: There is no information on penalty procedures and the amount of penalties

50: There is no information available on the Customs website, but it is available in the relevant legislation (Customs Code)

100: Information is displayed on a dedicated page in the Customs website

16 Applicable legislation published on Internet [Score: 0~100]

Benchmark:

- 0: There is no information on the Customs website (no electronic links)
- 70: Traders can find the relevant legislation on the Customs website
- 100: There are quick references among the different pages of the website or user-friendly guidance on key issues

17 Publication of judicial decisions on Customs matters [Score: 0~100]

Benchmark:

- 0: No judicial decisions on Customs matters are published
- 50: Judicial decisions on Customs matters are partly published
- 80: Judicial decisions on Customs matters are fully published
- 100: Judicial decisions on Customs matters are fully published on the Customs website (or electronic link) with detailed information

18 Dedicated interactive page for professional users / companies is developed to show and manage browsing history, search history, and enquiry items [Score: 0~100]

Benchmark:

- 0: There is no dedicated interactive page for professional users/companies
- 60: There is a dedicated interactive page for professional users/companies but with a complex registration process
- 100: There is a dedicated interactive page for professional users/companies and with a simple registration process

19 User manuals available online [Score: 0~100]

Benchmark:

- 0: There are no manuals online to help users when a new system is implemented
- 60: After almost every new system is implemented, its corresponding user manual is available online
- 100: Every time when a new system is implemented, there is a corresponding user manual published simultaneously or even in advance.

20 Quality / User friendliness of the research / help function of the Customs website [Score: 0~100]

Benchmark:

- 0: There is no research function

30: There is less than 2 positive matches to keywords searches

70: There are 2-3 positive matches to keywords searches

100: There are 4 or more positive matches to keywords searches

21 Transparency of government policymaking [Score: 0~100]

Benchmark:

0: It is impossible to know the policy changes

50: It is possible but hard to get information about policy changes

80: It is easy to get adequate information about policy changes

100: There are various kinds of channels to get adequate and timely updated information about policy changes

II. Involvement of Trade Community (including 8 questions):

22 Public consultations between traders and other interested parties and government [Score: 0~100]

Benchmark:

0: There are no public consultations between traders and other interested parties and governments

60: There are specific public consultations when introducing or amending trade related laws, regulations and administrative rulings of general application

100: There are one or more structures for regular public consultations

23 General notice-and-comment framework procedures in place, applicable to trade and border issues [Score: 0~100]

Benchmark:

0: There are no notice-and-comment procedures in place

60: There are notice-and-comment procedures but they do only apply to part of trade and border issues and regulation

80: There are notice-and-comment procedures which apply to most of trade and border issues and regulation

100: There are notice-and-comment procedures which apply to all trade and border issues and regulation

24 Are there established guidelines and procedures in place, governing the public consultation process [Score: 0~100]

Benchmark:

0: There are no established guidelines and procedures in place

60: There are established guidelines and procedures in place, but only apply to part of consultation issues and processes

80: There are established guidelines and procedures in place, and apply to most of consultation issues and processes

100: There are established guidelines and procedures in place, and apply to all consultation issues and processes

25 Targeted stakeholders [Score: 0~100]

Benchmark:

0: There are no stakeholder groups involved

30: Consultations are only open to those qualified stakeholders

70: Consultations are open to the public, but limited to a specific number of stakeholders

100: Consultations are fully open to the public

26 Implementation of public consultation system during previous 3 years [Score: 0~100]

Benchmark:

0: Public consultation system is un-established or even established but un-implemented

60: Public consultation is only applied on some categories of issues

80: Public consultation is applied on most important issues

100: Public consultation is applied on all issues related to public interests

27 Drafts published prior to entry into force [Score: 0~100]

Benchmark:

0: Drafts are not published before the entry into force of a rule

70: Drafts are available before entry into force of a rule and stakeholder comments are possible

100: The trading community is involved at the stage of drafting new trade related legislation

28 Public comments taken into account [Score: 0~100]

Benchmark:

0: Public comments are not taken into account

60: Public comments are partly taken into account

90: Public comments are taken into account and reasonable suggestions are adopted

100: Public comments are taken into account and given timely feedbacks. Reasonable comments are studied adequately and used to guide policy adjustments

29 Communication of policy objectives [Score: 0~100]

Benchmark:

0: There is no provision of information on regulatory changes

60: Regulatory changes are informed to trade community in advance

100: Regulatory changes are informed to trade community in advance and related information are provided adequately.

III. Advance Ruling (including 10 questions)

30 Issuance of binding advance rulings [Score: 0~100]

Benchmark:

0: Binding advance rulings are not issued

60: Issuance of binding advance rulings is possible but not common

80: Issuance of binding advance rulings is possible and common

100: Issuance of binding advance rulings is promoted by customs and becoming a constant issue

31 Issuance of binding advance rulings on tariff classification [Score: 0~100]

Benchmark:

0: Issuance of binding advance rulings on tariff classification is not possible

60: Issuance of binding advance rulings on tariff classification is possible but not common

100: Issuance of binding advance rulings on tariff classification is common

32 Issuance of binding advance rulings on origin [Score: 0~100]

Benchmark:

0: Issuance of binding advance rulings on origin is not possible

60: Issuance of binding advance rulings on origin is possible but not common

100: Issuance of binding advance rulings on origin is common

33 *Length of time for which the advance ruling is valid (duration)* [Score: 0~100]

Benchmark:

0: Length of time for which the advance ruling is valid is very unreasonable

30: Length of time for which the advance ruling is valid is 1 year or less

60: Length of time for which the advance ruling is valid is between 2-3 years

100: The validity is higher than 3 years or there is no expiration date until the advance ruling is revoked

34 *Publication of the maximum time by which the advance ruling will be issued* [Score: 0~100]

Benchmark:

0: The maximum time by which the ruling will be issued is not published on the Customs website or in the related legislation

60: The maximum time by which the ruling will be issued is published in the related legislation

100: The maximum time by which the ruling will be issued is published on the Customs website or in the related legislation and informed to the applicant definitely

35 *Maximum time by which the advance ruling will be issued AR maximum issuance time (number of days)*

36 *Possibility of advance rulings issued within the maximum issuance time*

Benchmark:

0%: It is absolutely impossible to issue an advance ruling within the maximum issuance time

100%: Every advance ruling is issued in the maximum issuance time

37 *Information on advance rulings of significant general interest published* [Score: 0~100]

Benchmark:

0: These kinds of advance rulings are never published

50: These kinds of advance rulings are partly published

100: These kinds of advance rulings are adequately published

38 *Possibility to request a review of an advance ruling or its revocation / modification* [Score: 0~100]

Benchmark:

0: There is no possibility

60: Requesting a review of an advance ruling or its revocation / modification is partly allowable

100: Requesting a review of an advance ruling or its revocation / modification is fully allowable

39 Refusal to issue or the revocation of advance rulings is motivated [Score: 0~100]

Benchmark:

0: The refusal to issue or the revocation of advance rulings are always lack of legal basis

60: The refusal to issue or the revocation of advance rulings are made according a certain legal basis which is debatable

100: The refusal to issue or the revocation of advance rulings are made according a certain legal basis which is absolutely reasonable

IV. Appeal Procedures (including 9 questions)

40 Is information on procedural rules for appeal publicly available [Score: 0~100]

Benchmark:

0: There is no appeal mechanism for Customs matters or the related laws are not publicly available

60: Appeal mechanism is described in the related laws

100: Information and procedures about appeal are published on the website of customs

41 Independent or higher level administrative and/or judicial appeal procedures available for customs decisions [Score: 0~100]

Benchmark:

0: There is no possibility of independent or higher level administrative, or judicial appeal of customs decisions

60: There is possibility of independent or higher level administrative, or judicial appeal of customs decisions, but judicial appeal could only be lodged after the administrative appeal

100: There is in addition possibility of a judicial appeal following, or independent of, the administrative appeal of customs decisions

42 Timeliness of the appeal mechanism – time available for lodging and appeal [Score: 0~100]

Benchmark:

0: There is no possibility of appeal

30: There is a time limit for appeal, but the time limit is unable to provide adequate time for preparing appeal

70: There is a time limit for appeal, and the time limit is able to provide adequate time for preparing appeal in most cases but except very complex situations

100: Time limit could be extended to ensure adequate time for appeal preparing when the case is complex

43 Timeliness of the appeal mechanism – avoidance of undue delays [Score: 0~100]

Benchmark:

0: There are no set periods specified in the laws and regulations for providing a decision on appeal or review

60: There are set periods specified in the laws and regulations for providing a decision on appeal or review

100: There are set periods specified and the petitioner can further appeal of the decision is not given within that set period or without undue delay; or the administrative silence is recognized as a decision in favor of the petitioner

44 Information available on the motives of the administration's decisions [Score: 0~100]

Benchmark:

0: Related information is unavailable publicly

60: Related information is partly available

100: Information about the motives of the administration's decision is provided

45 Possibility of appeals that is finally resolved in favor of traders [0%~100%]

46 Time limit for deciding judicial appeals [Score: 0~100]

Benchmark:

0: There is no possibility of judicial appeals

30: There is a time limit for judicial appeal, but the time limit is unable to provide adequate time for preparing appeal

70: There is a time limit for judicial appeal, and the time limit is able to provide adequate time for preparing judicial appeal in most cases but except very complex situations

100: Time limit could be extended to ensure adequate time for judicial appeal preparing when the case is complex

47 Efficiency of legal framework in challenging regulations [Score: 0~100]

Benchmark:

0: There is no related legal framework

60: Related legal framework has been structured but not implemented adequately

100: Related legal framework has been structured and implemented adequately

48 Judicial independence extent ? [0%~100%]

V. Fees and Charges (including 14 questions)

49 Information published on fees and charges [Score: 0~100]

Benchmark:

0: Information on fees and charges imposed by governmental agencies on, or in connection with, importation, exportation or transit is not published

70: Information is available in paper publications (Gazette, Bulletin, and Customs Code)

100: Information is displayed on relevant agencies' website (on a dedicated page)

50 Evaluation of fees and charges [Score: 0~100]

Benchmark:

0: Fees and charges are calculated on an ad-valorem basis

50: Some fees and charges are calculated on an ad-valorem basis

100: Fees and charges are not calculated on an ad-valorem basis or are limited in amount to the approximate cost of the services rendered on or in connection with the specific import or export operation

51 Information on fees and charges all-inclusive [Score: 0~100]

Benchmark:

0: No information about fees and charges is available

60: Available information does not account for all applicable fees and charges or does not include all information required

100: All applicable fees or charges have been accounted for when providing information and it includes the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made

52 *Total number of fees collected (number - diversity)* [Score: 0~100]

Benchmark:

- 0: Too much numbers and diversities of fees and charges
- 60: Number and diversity of fees and charges are acceptable, but not appropriate
- 70: Number and diversity of fees and charges are appropriate
- 100: Number and diversity of fees and charges are appropriate with periodic review and reduction

53 *Fees for answering enquiries and providing required forms and documents* [Score: 0~100]

Benchmark:

- 0: There are fees requested for answering enquiries and/or providing required forms and documents
- 60: If any, these are limited to the approximate cost of services rendered
- 100: There are no fees requested for answering enquiries and/or providing required forms and documents

54 *Fees and charges periodically reviewed to ensure they are still appropriate and relevant* [Score: 0~100]

Benchmark:

- 0: There is no periodic review of fees and charges
- 60: Fees and charges are reviewed periodically
- 100: Fees and charges are reviewed periodically and adapted to changed circumstances

55 *An adequate time period granted between the publication of new or amended fees and charges and their entry into force* [Score: 0~100]

Benchmark:

- 0: Fees and charges may be applied even without being published or prior to their publication
- 30: New or amended fees and charges enter into force immediately upon their publication
- 70: In most case, there is a time period accorded between the publication of new or amended fees and charges and their entry into force
- 100: In any case, there is an appropriate time period accorded between the publication of new or amended fees and charges and their entry into force

56 *Fees for Customs services during normal working hours* [Score: 0~100]

Benchmark:

- 0: There are fees for Customs services during normal working hours

80: There are no fees for Customs services during normal working hours

100: No fees are charged for Customs services during working hours, and additional working hours are free of charge

57 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - transparency [Score:0~100]

Benchmark:

0: The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are not publicly available

70: The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are publicly available

100: The rules, regulations or procedures regarding penalty disciplines for the breach of customs laws, regulations, or procedural requirements are publicly available and they clearly specify the persons that can be held responsible for such breach

58 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - proportionality [Score:0~100]

Benchmark:

0: Penalties imposed for the breach of customs laws, regulations, or procedural requirements are assessed and applied regardless of the circumstances and the severity of the breach

100: Penalties imposed for the breach of customs laws, regulations, or procedural requirements depend on the facts and circumstances of the case and are commensurate with the degree and severity of the breach

59 Does the administration provide any explanation in writing on the basis for assessing and applying the penalty [Score:0~100]

Benchmark:

0: The administration does not provide any explanation in writing on the basis for assessing and applying the penalty

60: The administration provides an explanation in writing on the basis for assessing and applying the penalty if the penalized requests

100: The administration proactively provides an explanation in writing on the basis for assessing and applying the penalty

60 Conflicts of interest in the assessment and collection of penalties and duties [Score: 0~100]

Benchmark:

0: Remuneration of customs officials is based on a fixed portion or percentage of any penalties or duties that they assess or collect

50: Remuneration of customs officials has some indirect relation with penalties or duties that they assess or collect

100: Remuneration of customs officials is independent of any penalties or duties that they assess or collect

61 Is voluntary disclosure of the breach of customs regulation by the person responsible a mitigating factor when establishing penalties [Score: 0~100]

Benchmark:

0: Voluntarily disclosure of the breach of a customs regulation, by the person responsible, prior to the discovery of the breach by the customs administration, is not considered a mitigating factor when establishing penalties;

60: Voluntarily disclosure of the breach of a customs regulation, by the person responsible, prior to the discovery of the breach by the customs administration, is partly considered as a mitigating factor when establishing penalties

100: Voluntarily disclosure of the breach of a customs regulation, by the person responsible, prior to the discovery of the breach by the customs administration, is considered as an important mitigating factor when establishing penalties

62 Level of total fees and charges [Score: 0~100]

Benchmark:

0: Extreme high and unbearable for traders

25: High and just bearable

50: Just acceptable

75: Reasonable and of low financial pressure for traders

100: Very reasonable and of almost no financial pressure for traders

VI. Documents (including 8 questions)

63 Copies of documents accepted [Score: 0~100]

Benchmark:

0: Customs and other border agencies do not accept copies of documents

70: Copies are accepted with exceptions (related to the type of good, the circumstances or the agency)

100: Copies are accepted without exceptions, although the original may need to be presented upon request

64 Percent of supporting documents required for import, export and transit formalities for which copies are accepted [0%~100%]

65 International Standards compliance [Score: 0~100]

Benchmark:

0: Most requirements of document formats and filling are not in accordance with international standards

60: Part of the requirements of document formats and filling are in accordance with international standards

80: Most requirements of document formats and filling are strictly based on international standards

100: All requirements of document formats and filling are in full accord with international standards

66 Number of documents for import [0~10]

67 Number of documents for export [0~10]

68 Periodic review of documentation requirements [Score: 0~100]

Benchmark:

0: Relevant border agencies do not carry out a periodic review of their documentation requirements

70: Relevant border agencies carry out periodic reviews of their documentation requirements and ensure that requirements that are no longer required are discontinued

100: Relevant border agencies carry out periodic reviews of their documentation requirements and proceed to simplify requirements that are unduly consuming or costly for traders

69 Complexity of preparing documents for import [Score: 0~100]

Benchmark:

0: Extremely complex

100: Extremely simple

70 *Complexity of preparing documents for export* [Score: 0~100]

Benchmark:

0: Extremely complex

100: Extremely simple

VII. Automation (including 13 questions)

71 *Percent of import declarations cleared electronically* [0%~100%]

72 *Percent of export declarations cleared electronically* [0%~100%]

73 *Percent of import and export procedures that allow for electronic processing* [0%~100%]

74 *Pre-arrival processing supported by the possibility to lodge documents in advance in electronic format* [Score: 0~100]

0: Documents cannot be lodged in advance in electronic format

40: Most documents can be lodged in advance in electronic format, but pre-arrival processing has not been implemented

60: Most documents can be lodged in advance in electronic format, and in some certain cases pre-arrival processing applies

100: All documents can be lodged in advance in electronic format, and pre-arrival processing applies commonly

75 *Percent of electronic payment of duties, taxes, fees and charges (including inspections fees, licenses, permits, other fees) collected upon importation and exportation* [0%~100%]

76 *Electronic payment system integrated with the automated declaration/cargo processing systems* [Score: 0~100]

Benchmark:

0: The electronic payment system is not integrated with the automated declaration/cargo processing systems

50: The electronic payment system is in the process of being integrated with the automated

declaration/cargo processing systems

100: The electronic payment system is integrated with the automated declaration/cargo processing systems

77 Risk Management applied and operating in an automated environment [Score: 0~100]

Benchmark:

0: There are no risk management mechanisms in place

20: There is a risk management mechanism but not operational in an automated environment

60: There is a risk management mechanism and partly operational in an automated environment

100: There is a fully operational mechanism, supported by information technology

78 Single window supported by information technology [Score: 0~100]

Benchmark:

0: There is no single window, or the single window operates totally in a non-automated environment

60: The automation of the single window is work in progress and some basic function has achieved automated

100: The single window is fully supported by information technology

79 IT Systems capable of accepting and exchanging data electronically [Score: 0~100]

Benchmark:

0: EDI could neither be implemented among Customs departments nor between Customs and enterprises

50: EDI has been partially implemented

100: EDI has been fully implemented

80 Automated processing system include functions allowing for the release of goods subject to conditions (i.e. guarantee) [Score: 0~100]

Benchmark:

0: The release of goods is not separated from the final determination and payment of Customs duties, taxes, fees and charges, or such separation cannot take place in the context of automated declaration processing

70: The separation of the release of goods from the final determination and payment of

Customs duties, taxes, fees and charges can be applied for some traders and some issues

100: The automated declaration processing includes functions allowing for the release of goods subject to conditions

81 Digital certificates and signatures in place [Score: 0~100]

Benchmark:

0: No use of digital certificates and signatures

20: Few modules have launched digital certificates and signatures

80: Most modules have launched digital certificates and signatures

100: All eligible modules have launched digital certificates and signatures

82 Automated processing for Customs declarations available full-time (24/7) [Score: 0~100]

Benchmark:

0: There is no full-time automated processing

60: Full-time automated processing is applied in some Customs districts or some modules

100: Full-time automated processing is adequately applied

83 Quality of telecommunications and IT [Score: 0~100]

Benchmark:

0: Extremely un-satisfactory

100: Extremely satisfactory

VIII. Procedures (including 31 questions)

84 Single Window [Score: 0~100]

Benchmark:

0: There is no Single Window

60: A Single Window is planned or in the process of implementation

80: A Single Window has been established but need improvement

100: A mature Single Window has been established and fully operational

85 Publication of Average Release Time [Score: 0~100]

Benchmark:

0: The average time for the release and clearance of goods has never been published

50: There are few times of publication of Average Release Time, and not in a consistent manner on a periodic basis

80: There are consistent and periodical publications of Average Release Time in major Customs districts

100: There are consistent and periodical publications of Average Release Time in all Customs districts

86 Average import clearance time (from declaration to release, unit: hours)

87 Average export clearance time (from declaration to release, unit: hours)

88 Implementation of pre-arrival processing [Score: 0~100]

Benchmark:

0: Pre-arrival processing is not allowed

60: Pre-arrival processing is available but not common because of traders' worries about information match error

100: Pre-arrival processing is fully implemented

89 Percent of goods undergoing physical inspections [0%~100%]

90 Percentage of physical inspections for perishable goods [0%~100%]

91 Facilitation for perishable goods with regards to physical inspection –timeliness [Score: 0~100]

Benchmark:

0: Physical inspection procedures do not allow to accelerate the control for perishable goods

70: Border agencies give appropriate priority to perishable goods when scheduling required examinations

100: Border agencies give appropriate priority to perishable goods when scheduling required examinations and have the possibility to clear such goods outside business hours

92 Facilitation for perishable goods with regards to physical inspection –timeliness – storage condition [Score: 0~100]

Benchmark:

0: There are no proper storage facilities for perishable products and the Customs border agencies do not have the authority to clear perishable goods at storage facilities arranged by the importer

80: Perishable goods can be arranged in proper storage facilities which only set or authorized by Customs before physical inspection

100: Perishable goods can be arranged in proper storage facilities which just meet the requirements of Customs before physical inspection

93 Release of goods separated from final determination and payment of Customs duties [Score:0~100]

Benchmark:

0: There is no such possibility

70: Yes, but it is restricted to the Authorized Economic Operator status

100: Yes, provided that all other regulatory requirements have been met, without conditions other than the submission of guarantee or a deposit for any amount not yet determined

94 Percentage of releases for perishable goods prior to final determination and payment of Customs duties, taxes, fees and charges [0%~100%]

95 Perishable goods treated differently than non-perishable goods concerning the separation of release from clearance [Score:0~100]

Benchmark:

0: There is no preferential treatment of perishable goods

80: Perishable goods enjoy preferential treatment concerning the separation of release from clearance

100: Perishable goods enjoy preferential treatment concerning the separation of release from clearance, which supported definitely by specific laws or regulations

96 Customs controls supported by a risk management system allowing risks to be assessed through appropriate selectivity criteria [Score:0~100]

Benchmark:

0: There is no risk management system for customs controls

60: A risk management system to support customs controls is in the process of implementation

100: A risk management system is fully operational and allows customs controls to concentrate on high-risk consignments, expediting the release of low-risk

97 Other border controls supported by a risk management system [Score:0~100]

Benchmark:

0: There is no risk management system for border controls other than customs

60: Risk management systems to support border controls other than customs are in the process of implementation

100: Border controls other than customs are supported by a risk management system, allowing those controls to concentrate on high-risk consignments and expedite the release of low-risk consignments

98 Compliance with customs and other related laws and regulations supported by post-clearance audits (PCAs) [Score: 0~100]

Benchmark:

0: Release of goods cannot be separated from final determination and payment of Customs duties

70: PCAs are conducted

100: PCAs are conducted and the results are used in applying risk management

99 Establishment of standard policies and procedures to guide PCAs [Score: 0~100]

Benchmark:

0: There are no standard policies and procedures to guide the conduct of PCAs

70: Standard policies and procedures are established to guide the conduct of PCAs

100: Standard policies and procedures ensure the conduct of PCAs in a transparent and risk-based manner

100 Use of pre-shipment inspections required on Customs matters [Score: 0~100]

Benchmark:

0: The country requires pre-shipment inspection on tariff classification and customs valuation

70: No pre-shipment inspection is required on tariff classification and customs valuation

100: No pre-shipment inspection is required on any Customs matter

101 Possibility to provide additional trade facilitation measures to operators meeting specified criteria (authorized operators) [Score: 0~100]

Benchmark:

0: There is no possibility to provide additional facilitation to Authorized Operators

60: Additional facilitation is provided in some respects to Authorized Operators but limited

80: A series of additional trade facilitation measures are provided to Authorized Operators

meeting criteria related to compliance or the risk of non-compliance

100: Not only customs, but other related border agencies provide additional facilitation to Authorized Operators

102 Transparency of the criteria for qualifying as an Authorized Operator and the procedures for submission and review of applications for AO status [Score: 0~100]

Benchmark:

0: The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are not defined or published

60: The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are made available in paper publications

100: The criteria for qualifying as an Authorized Operator (AO) and the procedures for submission and review of applications for AO status are published on a dedicated webpage and an online request procedure is available

103 Can small and medium enterprises apply for qualification of Authorized Operator [Score: 0~100]

Benchmark:

0: Small and medium enterprises are unable to apply

60: Small and medium enterprises are allowed to apply but have to meet more strict standards than large-size enterprises

80: Small and medium enterprises are allowed to apply under the same standards with large-size enterprises

100: Small and medium enterprises are allowed to apply under the same standards with large-size enterprises and enjoy the same priority

104 Time necessary on average to obtain Authorized Operator certification ?

105 How many items can Authorized Operators enjoy from the following benefits?

- ① Deferred payment of duties, taxes, fees and charges
- ② Use of comprehensive guarantee
- ③ Low documentary and data requirements or reduced guarantees
- ④ Low rate of physical inspections
- ⑤ A single Customs declaration for all imports and exports in a given period
- ⑥ Rapid release time; Clearance of goods at the premises of the AO

106 Adjustment of working hours of Customs personnel to commercial needs [Score: 0~100]

Benchmark:

- 0: The working hours of Customs personnel are not adapted to commercial needs
- 60: The working hours of Customs personnel are partially adapted to commercial needs
- 100: Customs arranges appropriate watch and rotation to cover 7*24 hours

107 Requirement for clearance by a third-party customs broker [Score: 0~100]

Benchmark:

- 0: The use of a third-party customs broker is mandatory
- 50: The use of a third-party customs broker is mandatory for certain types of consignees;
- 100: The use of a third-party customs broker is not mandatory

108 Expedited release procedures [Score: 0~100]

Benchmark:

- 0: There are no procedures allowing for the rapid release of expedited shipments
- 60: Goods may benefit from expedited release to persons meeting specific qualifying criteria*, but this is limited to certain types of goods only
- 100: Goods of any type, weight or value may benefit from expedited release to persons meeting specific qualifying criteria

109 Procedures for the re-export of rejected goods [Score: 0~100]

Benchmark:

- 0: The importer does not have the right to return to the exporter goods that have been rejected for import due to failure to comply with prescribed sanitary and phytosanitary regulations or technical regulations
- 60: The importer has the right to return rejected goods that are not subject to specific prohibitions
- 100: The importer has this right to return rejected goods and a reasonable period of time is granted to complete the re-export

110 Temporary admission of goods and inward and outward processing [Score: 0~100]

Benchmark:

- 0: Goods moved into or out of the customs territory for a specific purpose, including for inward or outward processing are not relieved from the payment of import duties and taxes

60: Goods moved into or out of the customs territory for a specific purpose, including for inward or outward processing are relieved totally or partially from the payment of import duties and taxes after complex guarantee formalities

100: Goods moved into or out of the customs territory for a specific purpose, including for inward or outward processing are relieved totally or partially from the payment of import duties and taxes after simple guarantee formalities

111 Efficiency of Customs and delivery of imports [Score: 0~100]

Benchmark:

0: Low

50: General

80: High

100: Excellent

112 Efficiency of Customs and delivery of exports [Score: 0~100]

Benchmark:

0: Low

50: General

80: High

100: Excellent

113 Simplification of procedures (time) [Score: 0~100]

Benchmark:

0: Simplification on procedures and required documents has not been implemented in recent 3 years

60: Time-consumption of Customs process has been reduced due to simplification on procedures and required documents in recent 3 years, but improvement is still needed

80: Time-consumption of Customs process has been obviously reduced due to simplification on procedures and required documents in recent 3 years

100: In recent 3 years, simplification of procedures has been conducted not only by Customs, but also by other authorities to reduce time consumption through simplification on procedures and required documents

114 Simplification of procedures (cost) [Score: 0~100]

Benchmark:

0: Simplification on procedures and required documents has not been implemented in recent 3 years

60: Cross border cost of Customs process has been reduced due to simplification on procedures and required documents in recent 3 years, but improvement is still needed

80: Cross border cost of Customs process has been obviously reduced due to simplification on procedures and required documents in recent 3 years

100: In recent 3 years, simplification of procedures has been conducted not only by Customs, but also by other authorities to reduce cost through simplification on procedures and required documents

IX. Internal Border Agency Cooperation (including 11 questions)

115 General cooperation and co-ordination of the activities of domestic agencies involved in the management of cross border trade, with a view to improving border control efficiency and facilitating trade [Score: 0~100]

Benchmark:

0: There is no cooperation and coordination between the various domestic agencies involved in the management of cross border trade

70: Cooperation, coordination, exchange of information and mutual assistance involves substantially all domestic agencies involved in the management of cross border trade

100: There is an explicit coordination strategy led at a high political level

116 How many following respects does institutionalised mechanism to support inter-agency coordination cover?

- ① has established terms of reference and procedures for conducting its activities;
- ② has a permanent technical Secretariat;
- ③ its decisions and recommendations are made publicly available on a dedicated webpage;
- ④ has a Steering Committee which monitors the implementation of decisions;
- ⑤ has clear provisions for its financing;
- ⑥ includes at least 60% of relevant agencies

117 Domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of border agency cooperation [Score: 0~100]

Benchmark:

0: There are no meetings between the different public agencies involved in the procedures required to import or export goods or such meetings are only ad hoc

70: Regular meetings are held to improve cooperation

100: Regular meetings are held and the proceedings are publicly available

118 Domestic coordination / harmonization of data requirements and documentary controls among agencies involved in the management of cross border trade [Score: 0~100]

Benchmark:

0: Data requirements of various border agencies are not coordinated / harmonized

60: Data requirements are coordinated / harmonized through common data definitions and types of information requested and mechanisms established to ensure timely exchange of information among the relevant border agencies

100: Data requirements are coordinated/harmonized and a single data entry is possible for traders

119 Interconnected or shared computer systems and real time availability of pertinent data among domestic agencies involved in the management of cross border trade [Score: 0~100]

Benchmark:

0: There are no interconnected or shared computer systems and no exchange of data among domestic agencies involved in the management of cross border trade

50: Exchange or transmission of data is provided between the different systems on a regular basis (daily, weekly, monthly)

100: There are interconnected or shared computer systems and data is commonly available in real time

120 Domestic coordination of inspections among agencies involved in the management of cross border trade [Score: 0~100]

Benchmark:

0: There is no domestic coordination of physical inspections and controls between the various agencies involved in the management of cross border trade

60: There is informal and ad hoc coordination to address contingencies

100: A single location and coordinated timing is established for the physical inspection of consignments by the various concerned agencies

121 Shared results of inspections and controls among agencies involved in the management of cross border trade with a view to improving border control efficiency and facilitating trade [Score: 0~100]

Benchmark:

0: Inspection results are not shared among the agencies involved in the management of cross border trade

60: One agency's inspection and control results are shared to another which request sharing

100: Inspection results are shared among the agencies involved in the management of cross border trade and closing meetings are held regularly

122 Control delegation at the national level [Score: 0~100]

Benchmark:

0: Other governmental agencies do not entrust Customs authorities to exercise controls

60: Part of governmental agencies entrust Customs authorities to exercise controls

100: Most involved governmental agencies entrust Customs authorities to exercise controls, aiming at promoting trade facilitation

123 Coordinated / shared risk management mechanisms [Score: 0~100]

Benchmark:

0: Domestic agencies involved in the management of cross border trade maintain separate risk management mechanisms

60: Domestic agencies involved in the management of cross border trade maintain separate risk management mechanisms but share intelligence with a view to improving risk management efficiency

80: There are real-time inter-agency synergies in terms of risk analysis and shared data and risk profiling of goods

100: A single risk management and control platform used by involved agencies is established and operational

124 Coordination among domestic agencies involved in the management of cross border trade with regards to Authorized Operators programs [Score: 0~100]

Benchmark:

0: Each agency certifies its own Authorized Operators

60: Ad hoc collaboration exists among certain agencies on the certification of Authorized Operators

80: Involved agencies shares the information about their respective Authorized Operators programs as important references when conducting certification

100: A joint Authorized Operators program is implemented by involved agencies

125 Coordinated / shared infrastructure and equipment use [Score: 0~100]

Benchmark:

0: Domestic agencies involved in the management of cross border trade do not share

infrastructure and equipment

60: Ad hoc sharing is possible

100: Domestic agencies involved in the management of cross border trade fully share infrastructure and equipment

X. External Border Agency Cooperation (including 11 questions)

126 Cross-border cooperation and co-ordination of the activities of agencies involved in the management of cross border trade [Score: 0~100]

Benchmark:

0: There is no cross-border cooperation and coordination with border agencies in neighboring countries

50: There are cooperation and coordination with border agencies in neighboring countries in some issues

100: There is an explicit coordination strategy led at a high political level, or the concerned countries belong to a Customs Union

127 Alignment of working days and hours with neighboring countries at land borders where applicable [Score: 0~100]

Benchmark:

0: Working days and hours are not aligned with neighboring countries

60: Working days and hours are partially aligned with neighboring countries

100: Working days and hours are fully aligned with neighboring countries

128 Alignment of procedures and formalities with neighboring countries at borders where applicable [Score: 0~100]

Benchmark:

0: Procedures and formalities are not aligned with neighboring countries

60: Procedures and formalities are partially aligned with neighboring countries

100: Procedures and formalities are fully aligned with neighboring countries

129 Cross-border coordination / harmonization of data requirements and documentary controls [Score: 0~100]

Benchmark:

0: Data requirements are not coordinated / harmonized with neighboring countries

60: Work is under way with neighboring countries in order to identify strategies for coordination/harmonization of data requirements

100: Data requirements are coordinated / harmonized with neighboring countries through common data definitions and types of information requested and mechanisms established to ensure timely exchange of information*, or the concerned countries belong to a Customs Union

130 Cross-border coordination / harmonization of the different computer systems [Score: 0~100]

Benchmark:

0: Computer language and systems are not coordinated / harmonized with neighboring countries

60: Work is under way with neighboring countries in order to identify strategies for coordination/harmonization of computer language and systems

100: Computer language and systems are coordinated / harmonized with neighboring countries

131 Risk management cooperation [Score: 0~100]

Benchmark:

0: There is no risk management cooperation with border agencies in neighboring countries

70: Border agencies in neighboring countries share intelligence with a view to improving risk management efficiency and facilitating licit trade

100: There are interagency synergies in terms of shared risk profiling of traders or goods, or of risk analysis and exchange of the results thereof

132 Systematic sharing of control results among neighboring countries at border crossings with a view to improving the risk analysis as well as the efficiency of border controls and to facilitating licit trade [Score: 0~100]

Benchmark:

0: The control results are not shared with border agencies in neighboring countries

70: National legislation allows for exchanging information about control results

100: The control results are shared with border agencies in neighboring countries

133 Development and sharing of common facilities with neighboring countries at border crossings, where applicable [Score: 0~100]

Benchmark:

0: Common facilities are not developed and shared with neighboring countries

60: There are no common facilities, but some infrastructure and equipment is shared between neighboring countries at land borders

100: Common facilities are developed and shared with neighboring countries

134 Joint controls with neighboring countries at border crossings, where applicable [Score:0~100]

Benchmark:

0: There are no joint controls performed in cooperation with neighboring countries

70: Joint controls are performed with neighboring countries

100: One-stop border posts are shared with neighboring countries

135 How many following issues does the Mutual Recognition Agreements/Arrangements on Authorized Operators (AOs) cover?

① agreed benefits that can be delivered to the AOs covered by the MRA

② the practical arrangements enabling the participating Customs administrations to provide the agreed benefits

③ use of compatible technologies for the AO data exchange with the partner country

④ storing of AO data is reconciled with data protection and data security concerns

⑤ reference to the procedures to be followed if one MRA partner finds irregularities involving the AOs of the other partner country

⑥ include consultations with the private sector

136 Exchange of staff and training programmes at the international level [Score:0~100]

Benchmark:

0: There are no programmes to exchange staff with partner countries

60: There are occasional exchanges of know-how with neighboring or third countries

100: There are regular exchange programmes, as well as training seminars on best practices, with both neighboring and third countries

XI. Governance and Impartiality (including 9 questions)

137 Transparent structures and functions in the border agencies clearly established [Score:0~100]

Benchmark:

0: Structures and functions of the various administrations involved in the border process are

not publicly described

60: Structures and functions of the various administrations involved in the border process are established, publicly available, but not timely updated

100: Structures and functions of the various administrations involved in the border process are clearly established, publicly available, but not timely updated

138 Ethics policy applied to border agencies [Score: 0~100]

Benchmark:

0: There is no ethics policy applied

70: The ethics policy observes all the principles of the Revised Arusha Declaration

100: A hotline is established to provide guidance to government employees on ethical issues

139 Code of Conduct established in border agencies [Score: 0~100]

Benchmark:

0: There is no Code of Conduct in the various agencies involved in the border process

30: A Code of Conduct is developed but not implemented adequately

70: A Code of Conduct is developed, published and applied to all staffs

100: A Code of Conduct is developed, published and applied to all staffs, making good effects

140 Effective sanctions against misconduct of border agency staff [Score: 0~100]

Benchmark:

0: Sanctions against misconduct are not published

60: The code of conduct includes disciplinary provisions and briefly describes the sanctions

100: The code of conduct includes disciplinary provisions specifying what constitutes misconduct and the sanctions which apply

141 Implementation and transparency of sanctions against misconduct [Score: 0~100]

Benchmark:

0: Information on punishment against misconduct is not open to the public

60: Information on disciplinary provisions specifying what constitutes misconduct and the corresponding punishment is partially open to the public

100: Information on disciplinary provisions specifying what constitutes misconduct and the corresponding punishment is fully open to the public

142 Efficient internal communication about policies and procedures of agencies involved in the border process [Score: 0~100]

Benchmark:

0: There are no arrangements in place

60: There are arrangements in place to ensure that staff receives major relevant information about new legislation and regulation, and changes to existing legislation and regulation

100: Arrangements are in place to ensure that staff receives relevant information in first time about new legislation and regulation, and changes to existing legislation and regulation

143 Internal audit mechanism established in the various agencies involved in the border process [Score: 0~100]

Benchmark:

0: Internal audit mechanism does not exist or just exist in a few agencies

60: Most agencies established internal audit mechanism

100: All agencies established internal audit functions which are adequately empowered and operational

144 Clear provisions for the financing of the Customs administration [Score: 0~100]

Benchmark:

0: The financial information of the Customs administration is not open to the public

60: Financial provisions are promulgated based on related laws, but partially and un-timely open to the public

100: Financial provisions are promulgated based on related laws, and fully open to the public

145 Publication of a Customs annual report [Score: 0~100]

Benchmark:

0: Customs annual reports are not open to the public

60: Customs annual reports are open to the public, but the information of Customs operation is not sufficient

100: Customs annual reports are open to the public, containing sufficient information of Customs operation

List of Assessors^① (alphabetically ordered in Chinese)

<i>Name</i>	<i>Enterprise / organization / agency</i>
CAI Xiao	Airspeed International Freight Forwarding Co., Ltd.
CAI Yao	Shenzhen Channelton Logistics Development Co., Ltd.
GAO Haijun	Shenzhen Run-in-time Supply Chain Management Co., Ltd.
JIANG Xiaobao	Xiamen Channelton Supply Chain Management Co., Ltd.
JIANG Xiaoping	Beijing Re-code Trade Security and Facilitation Research Center
KANG Wenzheng	Suzhou Better Supply Chain Co., Ltd.
LI Wei	Xiamen Shenyue Customs Broker Co., Ltd.
LIN Qian	Beijing DHH Law Firm
LIU Zheng	Changsha Customs
LUO Jihua	Shenzhen Xinning Modern Logistics Co., Ltd.
NIE Xiaohong	Nippon Express NEC Logistics Co., Ltd.
WU Yugen	Shanghai Jinsong Law Firm
ZHANG Hao	Shenzhen Channelton Logistics Development Co., Ltd.
ZHENG Songlin	Sinotrans Air Transportation Development Co., LTD. South China Branch
ZHU Jianan	Tianjin Customs
LUO Qiaowei	Unwilling to be disclosed
CAO Bo	Unwilling to be disclosed
CHEN Bo	Unwilling to be disclosed
GUO Guo	Unwilling to be disclosed
LI Shuang	Unwilling to be disclosed
REN Xiu	Unwilling to be disclosed
WANG Jin	Unwilling to be disclosed
YU Tao	Unwilling to be disclosed
ZHANG Leibing	Unwilling to be disclosed

① Except the professionals listed above, there are 6 professionals who want their personal information unpublished.

鸣谢 Contributors

菜鸟网络科技有限公司	Cainiao Network Technology Co., Ltd.
深圳市泰洲科技有限公司	Shenzhen Tai Zhou Technology Co., Ltd.
琥珀信息科技（上海）有限公司	Amber Road China Ltd.
康明斯（中国）投资有限公司	Cummins (China) Investment Co., Ltd.
深圳市天地纵横企业管理顾问有限公司	Shenzhen Mbase Consultants Co., Ltd.
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江苏宏坤供应链管理有限公司	Jiangsu Hongkun Supply Chain Management Co., Ltd.
英特尔（中国）有限公司	Intel China Ltd.

图书在版编目 (CIP) 数据

中国贸易便利化年度报告 . 2019 / 《中国贸易便利化年度报告》编撰编委会编著 . -- 北京 : 中国商务出版社 , 2018.12

ISBN 978-7-5103-2691-2

I . ①中… II . ①中… III . ①对外贸易—研究报告—中国—2019 IV .
① F752

中国版本图书馆 CIP 数据核字 (2018) 第 264992 号

中国贸易便利化年度报告 (2019)

《中国贸易便利化年度报告》编撰编委会 编著

出 版：中国商务出版社

地 址：北京市东城区安定门外大街东后巷 28 号 邮 编：100710

责任部门：商务与法律事业部 (010-64245686)

责任编辑：胡志华

总 发 行：中国商务出版社发行部 (010-51393396 64515150)

网 址：<http://www.cctpress.com>

邮 箱：cctp@cctpress.com

印 刷：三河市华东印刷有限公司

开 本：787 × 1092 1/16

印 张：25.75 字 数：650 千字

版 次：2019 年 1 月第 1 版 印 次：2019 年 1 月第 1 次印刷

书 号：ISBN 978-7-5103-2691-2

定 价：380.00 元

凡所购本版图书有印装质量问题，请与本社总编室联系。（电话：010-64212247）



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责任编辑：胡志华

封面设计：曙光工作室

2019 中国贸易便利化年度报告

TRADE FACILITATION ANNUAL
REPORT OF CHINA (2019 EDITION)



ISBN 978-7-5103-2691-2



定价：380.00 元