

中英双语
Chinese & English

2020 中国贸易便利化 年度报告

TRADE FACILITATION ANNUAL
REPORT OF CHINA (2020 EDITION)

《中国贸易便利化年度报告》编撰委员会◎编著



中国商务出版社
CHINA COMMERCE AND TRADE PRESS

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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

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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、2019）课题项目组成员。

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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 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.

王进

青岛关键企业管理咨询有限公司海关事务咨询顾问，微信公众号“观海咨询”创始人。熟悉中国海关法律法规和实际操作，对海关事务具有深入的理论研究和丰富的实践经验，为进出口企业提供专业、高效海关事务咨询服务。

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Mr. Wang Jin, a senior consultant on customs affairs of Qingdao KEY Enterprise Management Consulting Co., Ltd. , and also the founder of the WeChat public account "Guanhai Consulting". As an expert of China customs affairs, Mr. Wang has in-depth theoretical knowledge on Customs laws and regulations , and he also has rich experience on practical Customs operations. Mr. Wang provides professional and efficient consulting services regarding Customs affairs for import and export enterprises.

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. This is the 2020 edition.

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 formulation, revision and abolition of related laws and regulations in response to the institutional reform 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, 2019.

Preface I

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 II

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.

This is the fourth edition of Trade Facilitation Annual Report of China. There is no obvious change in the compilation style in this edition. Based on our accumulated experience, we put more efforts on the optimization of the content. As it is an overview report on the overall situation of the trade facilitation, some views and findings are likely to be buried under other contents. Therefore, starting from the previous edition, we have provided the Abstract prior to the main body of the report to outline the changes of China's trade facilitation quantitative evaluation indexes and major changes in business environment in the past year.

2019 marks the 70th anniversary of the founding of the P.R.C., the 18th anniversary of China's accession to the World Trade Organization, and the 5th anniversary of the establishment of Beijing Recode Trade Security and Facilitation Research Centre. In the year, in addition to compiling this report, we have also jointly held the First "China Trade Facilitation and Port Business Environment Research Essay Writing" Contest with China Association of International Trade and China Customs Brokers Association, and completed the first results of "China's Top Ten Maritime Container Port Business Environment Assessment" Program. In the past five years, we have completed 13 professional projects and undertaken 7 undergoing ones commissioned by the Ministry of Finance, GACC and local port management departments; completed 7 self-initiated projects and undertaken 11 undergoing ones; translated 29 professional reports of the World Customs Organization and other institutions; written a research paper accepted by the Partnership in Customs Academic Research and Development (PICARD) and had another one published in WCO News; kept operating the WeChat official account "Comments on Customs Affairs" followed by more than 12,000 readers.

Trade Facilitation Annual Report of China is the first research project officially established by Beijing Recode Trade Security and Facilitation Research Centre. In the past five years, it has been warmly supported by many professionals and institutions. On this occasion, 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 extend my heartfelt thanks to Shenzhen Channelton Logistics Development Co., Ltd. and the team members of the report for their dedication to the development of Beijing Re-code Trade Security and Facilitation Research Centre and the improvement of this 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. Online contact: <https://www.re-code.org/article/5?categoryid=44>, Wechat: jiangxp1234.

A handwritten signature in black ink, appearing to read '江显平' (Jiang Xianping), with a vertical line extending downwards from the bottom right of the signature.

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

Summary

This report mainly consists of two parts: the qualitative analysis of article-by-article review of WTO Trade Facilitation Agreement and the quantitative analysis of quantitative evaluation of China's trade facilitation level. In this year's research conclusion, the results of qualitative analysis and quantitative analysis show a high degree of consistency.

In 2019, the score of China's trade facilitation quantitative evaluation indexes is 76.93 points (with a full mark of 100 points), up 1.11 points from the previous year, a slight increase of 1.46%; up 3.88 points from 2017, an increase of 5.31%.

In recent years, the integration of customs services and entry and exit quarantine and inspection services has been a main driving force for China's trade facilitation process and business environment improvement. After the integration of customs services and entry and exit quarantine and inspection services on April 20, 2018, the quantitative evaluation index of China's trade facilitation in 2018 increased significantly. In 2019, the positive effects brought by the integration of customs services and entry and exit quarantine and inspection services continue to be released; the quantitative evaluation index of China's trade facilitation keeps rising, and the scores of most sub-indexes increase.

"Advance ruling", "internal border agency cooperation" and "formalities - procedures" are the top three single trade facilitation indexes with the most obvious improvement. Among them, the score of the "advance ruling" index is 77.60, an increase of 15.66 points compared with that in 2017 before the integration of customs services and entry and exit quarantine and inspection services; the score of the "internal border agency cooperation" index is 75.68 points, an increase of 7.84 points; the score of the "formalities - procedures" index is 84.38, an increase of 6.86 points. Qualitative research further shows that the improvement of the two indexes, "internal border agency cooperation" and "formalities - procedures", is directly attributed to the integration of customs services and entry and exit quarantine and inspection services.

Among the sub-factors of trade facilitation, the "formalities - procedures" index scores the highest, 84.38 points, which is the best performance aspect; the "involvement of trade community" index scores the lowest, 67.20 points, which is the weakest part in China's trade facilitation and business environment.

In addition to the integration of customs services and entry and exit quarantine and inspection services, major events in the field of trade facilitation include:

1. The standard-version International Trade Single Window. By the end of 2018, the International Trade "Single Window" standard version has realized system docking and sharing with 25 ministries and commissions, covering all ports and special customs controlling zones, free trade pilot areas and comprehensive cross-border e-commerce pilot areas. According to the

requirements of the State Council, by the end of 2019, the application rate of the International Trade “Single Window” in main businesses sectors will reach 100%.

2. Smooth and rapid implementation of the advance ruling system. Since February 1, 2018, China has implemented the advance ruling system. By June 1, 2019, China Customs had prepared and issued 1,520 advance ruling decisions, including 1,190 advance ruling decisions on commodity classification, 32 advance ruling decisions on origin and 298 advance ruling decisions on price.

3. Promulgation of the Foreign Investment Law of the People's Republic of China. The Foreign Investment Law of the People's Republic of China will come into force as of January 1, 2020, which is one of the most representative laws and regulations in the field of foreign trade and investment in China in recent years. The effect remains to be observed.

Main suggestions:

1. Increase involvement of trade community in policy making. It is suggested that China Customs should establish a mechanism for regular consultation with the business community, adopt a more flexible and pragmatic approach in aspects such as the participation representatives and consultation topics, and widely absorb the opinions and suggestions of representatives from all walks of life. For major, urgent and wide-ranging issues, China Customs should establish more smooth and effective information feedback channels and solution mechanisms.

2. Smooth the channels for enterprises to file appeals. In both administrative review cases and administrative litigation cases, it is still not easy for the people to sue the government. When the local customs encounter the normal administrative remedies initiated by enterprises, they tend to influence the parties concerned by means of persuasion, suppression or even direct expression of dissatisfaction to force the enterprises to fear and give up the legitimate administrative remedy rights. This situation needs to be gradually reversed.

3. Avoid reforms of "wishful thinking". When the customs introduce reform measures, they often impose uniformity in all cases and enterprises can only passively accept them. The business community strongly expects the customs to reduce the enforcement of facilitation measures, increase the choices of the business community, and avoid the impact of internal assessment factors on the legitimate rights of enterprises.

4. Cover the customs declaration enterprises with "tariff guarantee insurance" and "aggregate taxation". Small and medium-sized enterprises often rely on professional customs declaration enterprises to go through customs clearance procedures and pay taxes in advance. If the customs declaration enterprises can be given the functions of "tariff guarantee insurance" and "aggregate taxation", their ability to pay customs duties can be greatly improved, and the customs and insurance institutions do not need to identify the qualifications and credit status of a large number of small and medium-sized enterprises one by one. Instead, they only have to manage the specialized customs declaration enterprises.

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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/851?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. In April 2019, the Decree No. 711 of the State Council of the People's Republic of China promulgated the revised Regulations of the People's Republic of China on Government Information Disclosure, which came into effect on May 15, 2019. (Link 1.3) 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 1.4)

Former General Administration of Quality Supervision, Inspection and Quarantine ("former AQSIQ") formulated and implemented Guide of AQSIQ on Government Information Disclosure. (Link 1.5)

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 1.6)

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 1.7)

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. In May 2019, General Administration of Customs of the People's Republic of China (“GACC”) updated the Guide of AQSIQ on Government Information Disclosure in accordance with the revised Regulations of the People's Republic of China on Government Information Disclosure. (Link 1.8)

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 recent years, with the development of the Internet and mobile information platforms, China Customs has continuously expanded its information service channels. After GACC joins WeChat and Weibo with the public account “Customs Release”, it has also joined mp.toutiao.com, Tik Tok, om.qq.com and People's Daily Online.

In July 2017, the updated China Customs Portal website went live. The new

column “Internet + Customs” provides comprehensive customs information and services. (Link 1.9)

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 1.10, 1.11, 1.12 and 1.13)

Since the integration of the entry-exit inspection and quarantine administration responsibilities and personnel into GACC, China Customs has begun to publish information related to entry-exit inspection and quarantine, mainly new laws and regulations issued after April 2018 and a large number of previously issued laws and regulations on its portal website. (Link 1.14, 1.15 and 1.16)

After the integration of entry and exit inspection and quarantine administration duties and personnel into GACC, the relevant integration work has been carried out in depth. On the website of the State Administration for Market Regulation, the historical information previously published on the website of the former AQSIQ is still available. It is expected that China Customs will further integrate relevant channels for disclosing government information of entry-exit inspection and quarantine of the former Customs and the former 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.

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 "Online Inquiry", "Administrative Licensing", "Work Guide" and other information services, meeting most of the information needs of customs clearance. In "Download Center", forms and documents of customs nationwide required for customs clearance are posted. (Links 1.17)

In "Special Services" on its portal website, China Customs provides and keeps updating "management of foreign suppliers of imported wastes", "health and quarantine examination and approval of entry-exit special articles", "online processing platform for customs administrative examination and approval", "Internet + Customs", "overseas customs clearance guidelines" and other information services. (Link 1.18)

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 1.19, 1.20 and 1.21)

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 1.22)

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 1.23)

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 1.24)

On December 7, 2018, GACC issued the Announcement No. 185 of 2018 on Adjusting the Declaration Contents of Declaration Forms of Import and Export Goods and the Format of Electronic Declaration to revise the single-window declaration interface and the format of the electronic declaration of the declaration forms of import and export goods as appropriate and it was implemented on December 9, 2018. (Link 1.25)

On January 22, 2019, GACC promulgated Announcement No. 18 of 2019 on Amendment of the Code for Filling Customs Declaration Forms for Imported and Exported Goods of the People's Republic of China to revise the Code for Filling Customs Declaration Forms for Imported and Exported Goods of the People's Republic of China and it was implemented on February 1, 2019. (Link 1.26)

On April 18, 2019, GACC issued Announcement No. 66 of 2019 on the Publication of the Electronic Conversion or Scanning Document Format Standards for Customs Declaration Forms and Documents which optimized

the electronic form of the forms and documents accompanying the customs declaration forms and provided uniform standards and was implemented on May 1, 2019. (Link 1.27)

General Comment

The information is diverse, but not well-organized and there is still room for improvement.

Recommendations

China Customs should classify the existing entry-exit processes according to means of trade or transportation, types of goods, etc., provide detailed, intuitive and instructive procedures and the required forms and documents for businesses, and continue to integrate the information on the entry and exit inspection and quarantine policies issued by the former AQSIQ.

(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, the Economic Daily Press, etc. (Link 1.28)

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 1.29)

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 1.30)

At the end of each year or at the beginning of the next year, the Customs Tariff Commission of the State Council or GACC will announce adjustment plans for the import and export provisional tax rates for the following year.

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 1.32)
Former AQSIQ published on its portal website a detailed list of charges. (Link 1.33)

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 1.34)

China Customs has announced the relevant policies on the cancellation and suspension of administrative fees, and publicized the operating service charges for the subordinate institutions and social organizations on its portal website. (Link 1.35)

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 1.36);

Announcement of GACC No.49 [2009] Issues on Additional Declaration of Import and Export Goods (Link 1.37);

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 1.38).

In June 2018, GACC decided to promote the implementation of paperless submission of goods classification data nationwide. (Link 1.39)

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 1.40);

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 1.41).

Announcement No. 140 of 2018 of GACC on the Classification Table of Inbound Articles of the People’s Republic of China and the Table of Dutiable Values of Inbound Articles of the People’s Republic of China (Link 1.42)

Announcement No. 63 of 2019 of GACC on Adjusting the Classification Table of Inbound Articles of the People’s Republic of China and the Table of Dutiable Values of Inbound Articles of the People’s Republic of China (Link 1.43)

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 1.44).

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 1.45 and 1.46)

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 the contents are only updated till March 2014 and some of the key contents are updated till 2010. (Link 1.47)

In March 2019, GACC issued the Announcement No. 49 of 2019 on the Pilot Reform on Printing the Certificate of Origin, and decided to start the pilot reform on the self-printing of the certificate of origin in Beijing, Tianjin, Shanghai, Jiangsu, Guangdong, Chongqing and other provinces (municipalities) on March 25. (Link 1.48)

In May 2019, GACC decided to fully promote the self-printing of the certificate of origin, which took effect on May 20, 2019. (Link 1.49)

General Comment

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

(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 1.50)

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 1.51)

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 1.52)

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 1.53, 1.54, 1.55)

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 1.56)

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 GACC. For example, GACC and the Ministry of Agriculture and Rural Affairs jointly issued Announcement No. 100 on Preventing African Swine Fever from Spreading into China from the Democratic People's Republic of Korea. (Link 1.57)

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. 58)

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. 59)

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. 60)

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 61)

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. 62)

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. 63)

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. 64)

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. 65)

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. 66)

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. 67)

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. 68)

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. 69)

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. 70);

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. 71);

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. 72);

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. 73);

Measures on Inspection, Supervision and Administration of Import Cotton was promulgated by former AQSIQ on January 18, 2013 (Link 1. 74);

Regulations of the People's Republic of China on Certification and Accreditation was promulgated through Decree of the State Council No. 390 (Link 1. 75).

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. 76)

Administrative Review Law of the People's Republic of China. (Link 1. 77)

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. 78);

Decree of GACC No. 166 Measures of the People's Republic of China on Customs Administrative Review (Link 1. 79);

Decree of GACC No. 145 Measures for Customs Administrative Penalty Hearing of the People's Republic of China (Link 1. 80);

Measures for the Implementation of the Administrative License for Quality Supervision, Inspection and Quarantine (Link 1. 81);

Measures for the Administration of Certificates of Administrative Law Enforcement in Quality Supervision, Inspection and Quarantine (Link 1. 82);

Rules for the Application of Administrative Penalty Discretion in Quality Supervision, Inspection and Quarantine (Link 1. 83).

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. 84)

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 such as free trade agreements and preferential trade arrangements signed with other countries. (Link 1. 85)

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. 86 and 1. 87)

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. 88, 1. 89 and 1. 90) 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. 91)

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. The release and update of relevant information has been normalized.

General Comment

The implementation is adequate.

(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. 92, 1. 93, 1. 94 and 1. 95)

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 including laws, regulations and announcements of this provision cannot be found on the official website.

The former AQSIQ website is available in English, but for 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.

After the integration of the entry and exit inspection and quarantine administration duties and personnel into GACC, all new policies are released by China Customs and the original policies have also been gradually integrated into the portal website of China Customs.

General Comment

The implementation is relatively adequate.

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 relevant functions have also been transferred to GACC. (Link 1. 96)

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. 97)

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. The inspection and quarantine business consultation has been provided in the online consultation column of the portal websites of customs directly under China Customs.

General Comment

The implementation is inadequate, but the ability to respond to complex questions and the timeliness of replies need to be further improved.

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.

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. 98)

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 67 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, deputies to the National People's Congress and the public. The solicitation of such comments may be conducted in forms of symposiums, argumentations, hearings, etc. (Link 2.1)

In January 2017, Decrees of the State Council No. 694 and No. 695 respectively promulgated 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, which came into effect on May 1, 2018, detailing the formulation procedures for administrative laws and regulations, and rules, with a view to practicing the principle of scientific legislation and democratic legislation as provided for in the Legislation Law. (Links 2.2 and 2.3)

In March 2019, Notice of the General Office of the State Council No. 9 [2019] on Fully Hearing the Opinions of Enterprises, Trade Associations

and Chambers of Commerce in the Process of Formulating Administrative Rules, Regulations and Normative Documents was issued and it further put forward requirements for hearing the opinions of enterprises, trade associations and chambers of commerce in the process of formulating administrative rules, regulations and normative documents.

China Customs formulated and released relevant departmental rules and regulations.

In January 2009, 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 2.5)

From August 21 to September 22, 2018, GACC publicly solicited opinions from the public on the Administrative Regulations of the People's Republic of China on Customs Legislative Work (Draft for Comments). By the end of August, 2019, the revision has not yet been completed. (Link 2.6)

In addition, as one of the most representative laws in the field of foreign trade and investment in China in recent years, the Foreign Investment Law of the People's Republic of China was promulgated in Decree No. 26 of the President of the People's Republic of China on March 15, 2019 to solicit opinions from all walks of life extensively from December 26, 2018 to February 24, 2019. A column on the website of the National People's Congress has been set up to introduce relevant work, deliberation and legal interpretation. It can be regarded as one of the models of scientific legislation, democratic legislation and lawful legislation in the field of legislation in China in recent years. (Link 2.7)

Implementation

Soliciting of opinions on the draft laws is available on official website of NPC and The State Council. (Link 2.6)

Special column on collecting public comments is available on GACC's portal site; in 2019, 3 calls for comments and 2 calls for comments on the legislative draft were released on the site. (Link 2.9)

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 2.10)

There are no customs-related items for soliciting of opinions on the websites of the National People's Congress and the State Council.

General Comment

Institutional arrangements of China Customs were generally put in place, but it is to be improved.

Recommendations

1. The revision of the Administrative Regulations of the People's Republic of China on Customs Legislative Work should be completed as soon as possible in accordance with the provisions of the Legislation Law (2015 Amendment) and the principles and procedures of Decrees No. 694 and No. 695 of the State Council, and effective measures should be taken to fully implement the relevant provisions of the Administrative Regulations of the People's Republic of China on Customs Legislative Work.
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

In April 2007, Decree No. 492 of the State Council promulgated the Regulations of the People's Republic of China on Government Information Disclosure, which stipulated that "the administrative organs should abide by the principles of justice, fairness and convenience for the people in disclosing government information" and "government information that falls within the scope of active disclosure should be disclosed 20 working days from the date of the formation or change of the government information". (Link 2.11)

In December 2017, Decrees No. 694 and No. 695 of the State Council promulgated the 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. They stipulated that administrative rules and regulations should be implemented 30 days after the date of promulgation, and also provided exceptions.

In February 2014, 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."

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, our preliminary statistical analysis on the relevant regulations released by China Customs portal websites between 2018 and 2019 reveals that one regulation ((Decree No. 242 which promulgated the Regulations of the People's Republic of China on the Administration of Customs Statistical Work) met the requirement and one (Decree 243 which promulgated the Decision of GACC on the Amendment of Some Regulations) failed to. Part of Decree 243 deals with the streamlining of import and export regulatory certificates and the practice of "coming effect from the date of promulgation" is beneficial to traders and other stakeholders and meets the requirements of Article 1.3. However, part of Decree 243 concerns the name modification of the competent authorities after the integration of customs and I&Q, which was not revised when the provisions of Decrees No. 238 and 239 were revised on a large scale in

April 2018. It can be seen that customs compliance needs to be improved in terms of the timeliness of promulgation and amendment of laws and regulations.

<i>Status</i>	<i>Amount</i>	<i>Proportion against the Total(%)</i>
Decree released and entered into force on the same date	1	50
Decree released on a date preceding its date of entry into force	1	50
of which, date of release over 30 days in advance of date of entry into force	1	50
Date of release 1-30 days in advance of date of entry into force		
Decree released on a date succeeding its date of entry into force		
Total (No. 242-243)	2	

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 has been implemented since February 1, 2018, and China Customs has officially implemented the advance ruling system since then. (Link 3.1)

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 clearly stipulates the matters related to the implementation of the Customs Advance Ruling System. This announcement stipulates that from February 1, 2018, the Customs will no longer accept applications for pre-classification, pre-examination of prices and pre-determination of origin. (Link 3.2)

Decree of GACC No. 92 Provisional Administrative Measures of the People's Republic of China on Customs Administrative Rulings related to customs advance ruling system is still in force at present and the Customs is still making new administrative decisions. (Link 3.3)

The use of advance ruling decisions on commodity classification previously formulated and issued by the directly affiliated Customs have ceased to be used since January 1, 2019. (Link 3.4)

Implementation

During the more than ten years from December 24, 2001 to the end of August, 2019, 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 December 24, 2001, and implemented on January 1, 2002, there were 11 cases of classified administrative rulings (2 in 2015, 5 in 2016, 3 in 2017 and 1 in 2018), involving a total of 22 applications for classified administrative rulings; there was one case of administrative rulings of origin (1 in 2017), involving

one application for administrative rulings of origin. (Link 3.5)

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. From February 1, 2018 to June 1, 2019, China Customs issued 1,520 advance ruling decisions, among which 1190 are on commodity classification, 32 on origin and 298 on prices. The advance ruling decisions on commodity classification issued by China Customs have been published on the portal website of China Customs and "China Customs Classification Test" mobile phone APP.

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. At the end of August 2018, Shanghai Customs launched a pilot "enterprise classification precedent" model, trying the solution of upgrading the classification guidance with a single commodity as a unit to that with an enterprise as a unit to help enterprises establish a database of classification precedents and improve the predictability of classification. (Link 3.6, 3.7)

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.

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 [2011] 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>Time limit for reply</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. The effect of administrative rulings and decisions is similar.

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.

Article 6 of the Provisional Administrative Measures of the People's Republic of China on Customs Administrative Ruling stipulates, "The applicant should fill in the application form for administrative rulings in accordance with the requirements of the Customs (see annex for the format). It mainly includes the following contents: (i) the basic information of the applicant; (ii) the matters for applying for administrative rulings; (iii) the specific conditions of the goods applied for administrative rulings; (iv) the expected date of import and export and the import and export ports; (v) other circumstances that the Customs deems it necessary to explain." Article 7 stipulates, "The applicant should provide sufficient information to explain the application matters, including copies of import and export contracts or letters of intent, pictures, instructions and analysis reports, as required by the Customs. If the documents appended to the application form are in foreign language, the applicant should provide both the original in foreign language and the Chinese translation. The application form should be stamped with the applicant's seal, and the documents and applications provided should be stamped with a cross-page seal. In case of entrusting another person to make the application, the applicant should provide the power of attorney and the identity certificate of the agent." This method provides the format document of Form of Application for Customs Administrative Ruling of the People's Republic of China in the form of an annex.

(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.

Article 16 of the Provisional Administrative Measures of the People's Republic of China on Customs Administrative Ruling stipulates, "The Customs should make an administrative ruling within 60 days from the date of accepting the application. The administrative ruling made by the Customs should be notified to the applicant in writing and made public."

(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.

Article 17 of the Provisional Administrative Measures of the People's Republic of China on Customs Administrative Ruling stipulates, "Administrative rulings made by the Customs should be uniformly applied within the territory of the People's Republic of China from the date of promulgation." Article 18 stipulates, "If the relevant provisions in the laws, administrative regulations and rules on which the Customs makes administrative rulings change and affect the validity of administrative rulings, the original administrative rulings should automatically become invalid. GACC should regularly publish administrative rulings that 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 the Interim Measures for the Administration of Customs Advance Rulings of the People's Republic of China stipulates: "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 Provisional Administrative Measures of the People's Republic of China on Customs Administrative Ruling provides: “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: “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, 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 administrative rulings 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); From April 20, 2018, applications for administrative review of administrative acts made by the former entry-exit inspection and quarantine system should be made to the Customs. The former Measures on Customs Administrative Review have been abolished. (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 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 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 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.

In 2018, China Customs accepted 273 administrative review applications in total, an increase of 56.9% over the previous year, and handled 108 administrative applications, an increase of 31.7% over the previous year.

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 4.6)

Implementation

Customs received 143 administrative review applications in total in 2015, 94 in 2016, 174 in 2017 and 273 in 2018. 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)

Implementation

In 2015, altogether 41 administrative procedure cases occurred involving customs authorities across the country. The number increased to 44 in 2016, 82 in 2017 and 108 in 2018.

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.

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."

"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. "

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."

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 4.11)

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 4.12)

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. For example:

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 4.13)

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 4.14)

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 should also be noted that when enterprises are exercising administrative rights, because they are concerned about retaliation by the administrative authority, or remedy procedures are complex or inaccessible, or 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 decides to detain import goods, there are relevant detention procedures that shall be followed. China Customs stipulates 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 explicitly provides 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 has 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, the GACC 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 39 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 Announcement of GACC No. 201 of 2018 on the Publication of Customs Testing Methods of the People's Republic of China (Links 5.11, 5.12 and 5.13)

GACC has also interpreted the Administrative Measures of the People's Republic of China on Customs Testing (Decree of GACC No. 176). (Links 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 gives the second testing opportunity.

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 China Customs provides, "If the applicant has objections to the inspection results made by the competent Customs, he may apply to the competent Customs or its superior Customs for re-examination, or to the General Administration of Customs for re-examination. The applicant can only apply to the same Customs for one re-test of the same test result." (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 has promulgated test standards and methods. (Link 5.21)

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, China Customs has 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 charges levied on public institutions by China Customs and the service charges collected via third-party agencies affiliated to the above authorities were reduced.

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

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 6.1)

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 6.2) Information related to fees and charges including the diversity, standards, bases and reasons thereof is published on the portal websites of China Customs. (Links 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9)

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 6.10)

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.

China Customs 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 cancelled.

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, 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.

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)

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 6.26)

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 6.27)

Announcement of GACC No. 178 of 2018 on Matters Concerning the Implementing of the Measures for the Credit Management of Enterprises by the General Administration of Customs of the People's Republic of China stipulates that an enterprise's act of proactive disclosure and being warned by the Customs or fined less than RMB 500,000 should not be regarded as a record of the credit status of the enterprise recognized by the Customs. (Link 6.28)

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 proactive disclosure system is stipulated in detail. (Link 6.29)

General Comment

The "proactive disclosure" system has been established, but remarkable

results are yet to be achieved.

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 6.30)

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." Article 2 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." 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 7.4)

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 7.5 and 7.6)

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 7.7)

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 7.8)

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 7.9)

In the first half of 2019, more and more local customs issued notifications to implement the “advance declaration, inspection and release upon arrival” mode for export goods, and the scope of implementation of advance declaration of maritime export goods has been expanding, involving customs in Xiamen, Tianjin, Shanghai, Ningbo, Huangpu, Shijiazhuang and other places. (Link 7.10-7.13)

On March 20, 2019, GACC issued Comprehensive Letter (2019) No. 107 Notice on Further Defining the Work Related to the "Voluntary Disclosure" System and Fault Tolerance Mechanism to further clarify that “no customs declaration errors shall be recorded when the import date is modified by the ‘advance declaration’, and when the loading and stowage equals to the change of the means of transport caused by the change of the goods.” Import and export enterprises and units shall apply the business model of "advance declaration", voluntarily report their violations of customs regulations in writing to the customs and accept the handling results of customs. Those who are deemed to voluntarily disclose their violations may be given lighter or mitigated punishment or exempted from punishment according to law. Since then, all the customs directly under GACC have communicated this notice to enterprises in the form of a public notice. For example, Shanghai Customs issued Announcement No. 4 of 2019 on the Review of Customs Declaration Errors Records (Link 7.14)

Implementation

The system is complete and it is fully implemented. At present, the mode of "advance declaration" has been normalized for import and export enterprises, but the relevant systems need to be further refined, and the fault-tolerant mechanism needs to be further improved. To declare and modify the relevant information of the declaration in advance without recording the customs declaration errors does eliminate the enterprises’

great concern. However, transparent management regulations on how to punish the enterprises after they voluntarily disclose their illegal acts in the advance declaration mode is still lacking, which restricts the enterprises' initiative to make "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.

Recommendations

GACC has made detailed provisions on and promulgated the fault-tolerant mechanism for advance declaration to further promote 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. Since January 1, 2019, the change of shipping bills and related electronic data has also been paperless.

In 2018, China Customs also promoted the computerization of some documents after the integration of inspection and quarantine duties and personnel into GACC. (Link 7.15)

On October 9, 2018, the Ministry of Commerce and GACC jointly issued Announcement No. 82 of 2018 on the Application for Import License of Goods and Related Matters Concerning Paperless Operation. (Link 7.16)

On October 29 and 30, 2018, GACC issued 9 consecutive announcements

(Announcement No. 145-153 of 2018) to realize online verification of 21 kinds of networked certificates. (Link 7.17)

On November 5, 2018, People's Daily Online (www.people.com.cn) released the news that the online verification of import and export regulatory documents would achieve full coverage as of November 1. (Link 7.18)

On December 4, 2018, GACC promulgated Announcement No. 180 of 2018 on the Full Development of Paperless Operation of the Change of Shipping Bills and Related Electronic Data. (Link 7.19)

On December 10, 2018, GACC issued Announcement No. 193 of 2018 on the Full Implementation of Paperless Customs Transfer Operations. (Link 7.20)

On March 25, 2019, GACC and the National Medical Products Administration jointly issued Announcement No. 56 of 2019 on the Expansion of Online Verification of Three Regulatory Documents, including Import Drug Customs Clearance Form. (Link 7.21)

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 7.22)

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 7.23)

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 7.24)

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 7.25).

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 7.26)

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 7.27)

On September 14, 2018, GACC issued Announcement No. 117 of 2018 on the Discontinuation of the Original Customs Electronic Tax and Administrative Charge Payment System, and decided to discontinue the operation of the original electronic payment system on October 1, 2018. (Link 7.28)

On September 29, 2018, GACC issued Announcement No. 122 on Expanding the Application Scope of the New Generation of Customs Electronic Tax and Administrative Charge Payment System and decided to extend the types of taxes and fees supported by the new generation of customs electronic tax and administrative charge payment system to ship tonnage tax, tax bond and delayed declaration from October 1. (Link 7.29)

On November 16, 2018, GACC issued Announcement No. 169 on the Comprehensive Promotion of the Printing Reform of Special Customs Bill of Payment. All import and export enterprises can download the Special Customs Bill of Payment directly through the "Internet + customs" or the standard version of international trade "single window" after paying the tax electronically. (Link 7.30)

On June 25, 2019, the Qingdao Branch of China Electronic Port Data Center issued an update announcement, adding that the consignees and consignors can use the legal person card to authorize the declaration unit to print the typographic tax form. (Link 7.31)

Implementation

The taxes that are electronized by customs include: import and export duties, anti-dumping tax, anti-subsidy tax, taxes collected during import on behalf of other authorities, fund of disposal of waste electric and electronic products, interest on delayed tax, charge on delayed payment, ship tonnage tax, tax deposit, and charge on delayed declaration.

According to preliminary estimations, electronically paid customs taxes already account for more than 95% against the total amount of tax payment. (Links 7.32 and 7.33)

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 7.26)

Since November 19, 2018, China Customs has comprehensively promoted

the reform of enterprises printing the Special Customs Bill of Payment to realize paperless tax bills. (Links 7.30)

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.

In late August 2019, China Customs launched a pilot "two-step declaration" customs clearance mode for imported goods in 10 subordinate customs. After the summary declaration, the enterprise can pick up the goods with the consent of the customs, and then complete the declaration within the specified time. The purpose of this action is to further realize the step-by-step and dynamic management of customs declaration, and the effect of implementation needs to be further observed. (Link 7.34)

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 7.35)

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 7.36)

On October 30, 2018, GACC and China Banking and Insurance Regulatory Commission jointly issued Announcement No. 155 of 2018 on the Pilot Operation of Customs Clearance of Customs Guarantee Insurance, according to which, the reform of Customs Guarantee Insurance would be carried out nationwide on November 1. (Link 7.37)

On December 26, 2018, GACC issued Announcement No. 215 of 2018 on the Application of Customs Guarantee Insurance to Aggregate Taxation and decided that enterprises could collect taxes on the basis of the Customs Guarantee Insurance Policy from January 1, 2019. (Link 7.38)

In June 2019, Dalian Customs completed the filing of the first bill of the high-level certification enterprises exempted from guarantee, marking the real implementation of the "high-level certification enterprises exempted from guarantee" policy in the grass-roots customs. (Link 7.39) However, this system is rarely reported in the national customs. The implementation of this system varies greatly from place to place. Generally speaking, the number of beneficiary enterprises is limited.

General Comment

Preliminary implementation and gradual improvement.

Recommendations

At present, the two policies, "Customs Guarantee Insurance" and "Aggregate Taxation", are only applicable to "import and export consignees and consignors" and not to customs declaration enterprises. Considerations from the perspective of the customs are as follows: in accordance with Article 54 of the Customs Law, the consignee of imported goods, the consignor of export goods and the owner of inbound and outbound articles are customs duty taxpayers. Customs declaration enterprises accept the entrustment of import and export consignees to go through customs declaration and tax payment formalities. Although they pay customs duties to the customs, the legal consequences of the agency behavior of customs declaration enterprises are ultimately borne by the import and export consignees. Therefore, they are not the taxpayers, but the agents of the taxpayers.

The fundamental purpose of introducing these two policies is to serve SMEs, improve trade facilitation and reduce customs clearance costs. In the process of customs clearance, SMEs often do not have a complete internal import and export department, some of which are not even registered or filed in the customs. They are only reflected as consumer units in the customs declaration. They cannot and do not have enough strength to apply for "tariff guarantee insurance" or other forms of guarantee to banks or insurance institutions. Therefore, they need to rely on professional customs declaration enterprises to handle complicated customs clearance procedures and advance taxes for them. Customs declaration enterprises often have limited funds, so it is impossible for them to use large liquidity funds or bank guarantees to advance taxes for SMEs.

If customs declaration enterprises can be endowed with the functions of "tariff guarantee insurance" and "aggregate taxation", their ability to pay customs duties can be greatly improved, so as to better serve the SMEs. Customs and insurance institutions do not need to identify the qualifications

and credit status of a large number of SMEs. Instead, they only need to manage specialized customs declarations enterprises. This will not only improve tax protection, but also reduce risks. In fact, the former www.easipay.net once endowed customs declaration enterprises with the function of "guaranteed payment". It has been running well for many years, and rarely the state tax cannot be collected. With this as a reference, two preferential tax policies, "tariff guarantee insurance" and "aggregate taxation", can be considered to cover customs declaration enterprises.

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 7.40)

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 7.41)

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.

China Customs also issued guarantee-related work guidelines in the "Internet + Customs" work guidelines: application for tax guarantee release, application for tax guarantee extension, application for tax guarantee cancellation, tax guarantee for goods subject to tax relief and exemption. (Link 7.42, 7.43, 7.44 and 7.45)

Implementation

In practice, there are some differences in the implementation at various ports. There are some cases in which the goods conform to the provisions of the Regulations on Guarantee for Customs Affairs, but the Customs does not agree to release the goods after the enterprise submits the tax guarantee. There is a certain gap between the degree of facilitation of guarantees and the expectation 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 7.46)

General Comment

This article has been fully implemented by China Customs. Since 2018,

duty guarantee insurance has been gradually promoted and used, creating a new form of customs guarantee.

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;"

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 7.47)

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 7.48)

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."

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."

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 7.49)

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 7.50)

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 7.51)

Following the integration of inspection and quarantine duties and personnel into GACC in 2018, in the "Three Definitions" plan (Plan on functions, institutions and size of staff) published by GACC in August, a new Department of Risk Management was established. Its responsibilities are defined as: formulating and implementing the customs risk management system, undertaking and organizing the customs risk monitoring work, establishing risk assessment index system, risk monitoring early warning and tracking system, risk management prevention and control mechanism; coordinating the work of port-related information collection, risk analysis, judgment and disposal, studying and putting forward the overall plan, system and scheme of big data customs application and organizing its implementation, regularly issuing port safety operation reports, commanding and coordinating the handling of major business risks and safety risks.

Implementation

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" (Pre-scheduled distribution control inspection is a random sampling method based on risk analysis) 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 and tends to decrease, with an average of 9.6% in 2017 and 5.72% in January-July 2018, and the average seizure rate from August to December was only 3.95%.. This reflects to some extent the overall risk management ability of Chinese customs is weak. (Link 7.52)

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. However, after the integration of entry-exit inspection and quarantine administration duties and personnel into GACC, the scope of risk management of the customs was further expanded. In the aspect of national security control, China Customs has increased the risk management responsibilities of health quarantine, animal and plant quarantine, commodity inspection, import and export food safety supervision on the basis of the original security access (exit) and risk prevention and control of tax collection and management, which is a big challenge for the new Customs.

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.

However, after the integration of customs services and entry and exit quarantine and inspection services, the problem has become increasingly complex. The main reason is that the original inspection and quarantine system is not scientific and reasonable in controlling some risks, and the awareness and ability of risk management through parameter setting are relatively deficient. It is difficult for customs to integrate its risk parameters into a unified system.

General Comment

Preliminarily implemented.

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) (Link 7.53)

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 7.54)

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 7.55)

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 7.56)

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 7.57)

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 7.58)

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 7.59)

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 7.60)

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 promulgated and implemented Decree No. 237 of GACC Measures for the Credit Management of Customs Enterprises of the People's Republic of China and Announcement No. 32 of GACC on the Matters Concerning the Implementation of the Measures for the Credit Management of Customs Enterprises of the People's Republic of China and Relevant Supporting Systems to clearly identify the trade

facilitation measures for certified operators. In December 2018, GACC issued Announcement No. 178 on Matters Concerning the Implementation of Measures for the Credit Management of Customs Enterprises of the People's Republic of China and Announcement No. 177 on the Publication of the Standards for Customs Certification Enterprises in both of which the contents of post-integration inspection and quarantine are added. (Link 7.61, 7.62, 7.63 and 7.64)

General Comment

The implementation is adequate. In Announcement No. 178 and Announcement No. 177 of 2018 of GACC, the relevant contents of inspection and quarantine are integrated into the credit management and certification enterprise standards.

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.”

Announcement No. 178 of 2018 of GACC on Matters Concerning the Implementation of Measures for the Credit Management of Customs Enterprises of the People’s Republic of China provides that, “

IV. In addition to the circumstances specified in Article 23 of the Measures for the Credit Management of Customs Enterprises of the People’s Republic of China, the following management measures shall also be applied to general certification enterprises:

- (1) The average proportion of sampling batches for inspection and quarantine of import and export goods is less than 50% of the average proportion of sampling batches for general credit enterprises (except where laws, administrative regulations, rules or customs provide special requirements);
- (2) The average proportion of spot checks in the investigation of the origin of export goods is less than 50% of the average proportion of spot checks for general credit enterprises;
- (3) Priority shall be given to the registration or filing of customs and related business procedures. In addition to the first registration or filing and special requirements, the customs may implement tolerance acceptance or adopt independent declarations of credible enterprises, exempting them from on-

site inspection or evaluation.

V. In addition to the circumstances stipulated in Article 24 of the Measures for the Credit Management of Customs Enterprises of the People's Republic of China, the following management measures shall be applied to advanced certification enterprises:

- (1) The average proportion of sampling batches for inspection and quarantine of import and export goods is less than 20% of the average proportion of sampling batches for general credit enterprises (except where laws, administrative regulations, rules or customs provide special requirements);
- (2) The average proportion of spot checks in the investigation of origin of export goods is less than 20% of the average proportion of spot checks for general credit enterprises;
- (3) Priority shall be given to the registration of export enterprises recommending products such as food and cosmetics to other countries (regions).”

General Comment

The implementation is relatively adequate. The original inspection and quarantine-related facilitation measures have been integrated into the Measures for the Credit Management of Customs Enterprises of the People's Republic of China.

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

In the Standards for Customs Certification Enterprises, Article 3 of the General Standards for Advanced Certification and General Certification, requirements on the four aspects of "compliance with laws and regulations, regulations on import and export business, compliance with customs administrative requirements, external credit" are clearly made.

General Comment

The implementation is adequate.

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

Laws and Regulations

In the Standards for Customs Certification Enterprises, Article 1 of the General Standards for Advanced Certification and General Certification, requirements on the four aspects of "control of the organization institution, control of the import and export business, internal auditing control, and information system control" are clearly made.

General Comment

The implementation is adequate.

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

Laws and Regulations

In the Standards for Customs Certification Enterprises, the General Standards for Advanced Certification and General Certification have provided regulations for the solvency capacity and tax payment capacity of enterprises: "

13. Comprehensive financial situation: The enterprise is in good condition in terms of solvency, profitability and tax paying ability. The comprehensive quick ratio, cash flow-liability ratio, asset-liability ratio, operating profit ratio, net assets return rate and other financial conditions are within the safe or normal range."

In March 2019, GACC promulgated Announcement No. 46 on Publishing the Criteria for Determining Financial Status Indicators of Standards for Customs Certification Enterprises to clarify the criteria for determining the financial status indicators of certification enterprises. (Link 7.65)

General Comment

The implementation is adequate.

(iv) supply chain security.

Laws and Regulations

In the general standards for general certification enterprises in Standards for Customs Certification Enterprises, Article 25 "Safety of Business Partners" and Article 29 "Crisis Management", contain such requirements. In the general standards for advanced certification enterprises, Article 26 "Safety of Business Partners" and Article 31 "Safety Training" 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. (Link 7.66)

On June 13, 2018, Premier Li Keqiang chaired a State Council executive meeting, proposing to optimize the import customs clearance process, carry out international mutual recognition of Customs AEOs and improve the level of import trade facilitation. (Link 7.67)

In June 2019, China and Japan achieved mutual recognition of AEOs.

In July 2019, China and Belarus achieved mutual recognition of AEOs.

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 7.68)

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 7.69)

In September 2018, GACC issued Announcement No. 119 of 2018 on the Upgrading of the New Expedited Shipment Customs Clearance Management System, which is the beginning of the declaration of the integration of customs and inspection and quarantine of expedited shipments. (Link 7.70)

In November 2018, GACC issued the revised Measures for Administration of Inspection and Quarantine of Entry-Exit Expedited Shipments. (Link 7.71)

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.

(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

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.

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 7.72)

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 7.73)

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 7.74)

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 7.75)

On October 11, 2018, GACC promulgated Announcement No. 130 of 2018 on the Publication of the Code for Setting up Intensive Closed Container Inspection Sites at Customs (Trial Implementation) which stipulates in detail the cold chain inspection zones constructed at customs inspection workplaces in the port supervision area. (Link 7.76)

On April 19, 2019, GACC issued Announcement No. 68 of 2019 on the Publication of the Code for Setting up Customs Inspection Operating Places (Sites) which stipulates specific requirements for the establishment of customs supervision and operation sites (sites) for perishable goods including imported cold-chain food, imported edible aquatic animals, imported fruits, imported seedlings, fresh products for Hong Kong and Macao, blood and other special items. (Link 7.77)

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.

After GACC promulgated the code for the establishment of container inspection sites and inspection operation areas in 2018 and 2019, some port customs stopped using inspection and quarantine inspection sites outside the port supervision area and built new inspection operation sites within the port supervision area. For example, at the end of 2018, Dapeng Customs in Shenzhen built the first "special inspection platform for cold chain in customs area" in China. (Link 7.78) However, problems arise: the number of cold-chain inspection platforms in the port supervision area is very limited, and a large backlog of imported perishable goods is prone to occur when the volume of goods increases or special epidemics, such as African swine fever, occur. However, the main ports of frozen meat import, such as Tianjin and Shanghai, which follow the original inspection method of cold storage outside the supervision area, are less likely to encounter the backlog of frozen goods.

General Comment

The implementation is adequate. 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. Customs clearance for perishable and fresh commodities will be more institutionalized and facilitated. However, when some ports stop using the inspection sites outside the port supervision area, it sometimes leads to the backlog of perishable goods, to which attention should be paid.

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.

Equipment specifications for special items related to perishable goods, such as imported cold-chain food, imported aquatic animals, imported fruits, imported seedlings, fresh products for Hong Kong and Macao, blood and

so on should be re-evaluated; under the premise of controllable risk, the inspection sites outside the original supervision areas should be continued to avoid repeated construction and improve the efficiency of inspection.

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.

Fresh or live products are mostly imported and exported goods under statutory inspection. Good coordination in customs inspection is the key to ensuring their rapid customs clearance. On April 20, 2018, China Entry-Exit Inspection and Quarantine was officially integrated into GACC. On August 1, the new version of customs declaration was officially launched to implement the unified declaration of customs and quarantine integration, and the customs clearance form was cancelled. However, after the integration and customs and inspection and quarantine, some professional and technical personnel of the former inspection and quarantine department

were transferred from their original posts, leading to lack of personnel checking and verifying the forms, which sometimes results in delays in the clearance and quarantine of fresh and live products and has a negative impact on their clearance time.

General Comment

The implementation is adequate. However, the new problems caused by the integration of customs and inspection and quarantine need to be solved urgently.

Recommendation

Maintain the stability and continuity of professional and technical personnel, avoid relocation for post transfer, and ensure the level and efficiency of post operation.

(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 7.79)

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

In practice, the release of goods may be affected by multiple factors such as wharf, customs and so on. It is very difficult to send written quests demanding the reasons for delays when delays occur as it lacks legal basis and maneuverability.

General Comment

It has not been implemented.

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)

In January 2019, GACC and State Administration for Market Regulation jointly issued Announcement No. 14 of 2019 on the Incorporation of the Registration Certificate of Customs Declaration Unit (Shipper & Consignee) into the “Multi-certificate Integration” Reform, which simplified the relevant processes and came into effect on February 1 2019. (Link 8.10)

In May 2019, GACC and the State Administration of Foreign Exchange jointly issued Announcement No. 93 of 2019 on the Cancellation of the Collection and Payment Certification Copy and Customs Verification Copy of the Customs Declaration Form and decided to cancel the collection and payment copy and of the customs declaration form and the customs verification copy used for the cancellation after verification of processing trade. It came into effect on June 1, 2019. (Link 8.11)

In addition, since 2018, the progress of networking verification of documents between customs and other port supervision departments has been accelerated significantly. (Link 8.12)

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, institutional reform has simplified the relevant border regulatory agencies and procedures. The process and mechanism after the institutional reform has been initially straightened out, and its effectiveness has begun to show. It has been well received by enterprises, but the effects of some deep integrations still need to be observed.

Recommendations

Further 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, continue to integrate and simplify relevant working procedures, especially stimulate the enthusiasm of the teams, ensure the rationality and feasibility of the reform measures, 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. DPRK, 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 8.13)

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 8.14)

On March 8, 2019, GACC issued Announcement No. 41 of 2019 on Matters Concerning Expanding the Implementation of the TIR Convention Pilot Program and decided to add Jeminay Port, Baktu Port, Alashankou Port and Dulata Port as the pilot ports for TIR transportation in China, which was implemented on March 25, 2019. (Link 8.15)

On May 15, 2019, GACC issued Announcement No. 90 of 2019 on the Full Implementation of the TIR Convention. It decided to implement the TIR Convention in an all-round way on the basis of previous pilot projects, and it will come into effect on June 25, 2019. (Link 8.16)

Implementation

Information on the overall situation of highway cargo transport routes, and mutual coordination and cooperation in port regulatory services 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 bordering countries.

(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 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 departure. 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) Decree No. 235 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has been issued to amend it again. (Link 9.4) Decree No. 240 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has also been issued to amend it. (Link 9.5)

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 9.6)

Regulations of GACC on the Supervision of Transit Goods. (Link 9.7)

Decree No. 198 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has been issued to amend it. (Link 9.8)

Decree No. 240 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has been issued to amend it again.

Measures of GACC on the Supervision of Processing Trade Goods (Link 9.9)

Decree No. 235 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has been issued to amend it.

Decree No. 240 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has been issued to amend it again.

Decree No. 243 of GACC on the Publication of the Decision of GACC on the Amendment of Some Regulations has also been issued to amend it. (Link 9.10)

Decree No. 233 of GACC on the Publication of the Measures of GACC for the Administration of Temporary Entry-Exit Goods (Link 9.11)

Announcement No. 86 of 2016 of GACC on the Management of the Circulation of Bonded Goods in Special Areas under Customs Supervision and in Bonded Places under Supervision. (Link 9.12)

Announcement No. 127 of 2019 of GACC on the Implementation of the "Two-Step Declaration" Reform Pilot Program. (Link 9.13)

Implementation

Imports under the supervision of China Customs mainly include: imported trade goods; imported bonded goods; imported goods for consignment and sale, exhibition, maintenance or lease; materials, parts, equipment for processing with incoming materials, assembling with incoming materials, processing with incoming samples, compensation trade and cooperation, joint venture import and finished products for export; transit goods, transshipment goods, transport goods; import and export exhibits, gifts, samples, advertising products and import donated materials.

The scope of imported goods under the supervision of China Customs is as follows: imported goods from entry to release by the Customs; export goods from declaration to exit; materials, parts, equipment imported for processing and assembling, compensation trade, finished products produced, goods for consignment and sale, lease and bonded goods from entry to the completion of the cancellation after verification procedures at the customs should be subject to the supervision of the Customs.

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.

General Comment

China Customs has formed a mature supervision system for the movement of imported goods subject to Customs supervision, and has continued to implement measures to facilitate the movement of imported goods subject to Customs supervision.

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 since April 20, 2018 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. The changes

are immediate. First, on November 1, 2018, the number of regulatory documents that need to be checked in import and export links was reduced from 86 to 48. Second, on June 1, 2018, customs clearance forms were cancelled; on August 1, customs clearance forms and inspection application forms were integrated into one; the declaration documents, operation system, risk assessment, instruction issuance and on-site law enforcement were unified; customs supervision and inspection and customs clearance at two major ports of inspection and quarantine were historically integrated into one. Third, the Framework Program for the Comprehensive Deepening of Customs Business Reform 2020 was issued to continuously promote the comprehensive deepening of reform at a higher starting point, a higher level and a higher goal, and achieve new breakthroughs in important areas and key links of the national customs integration. According to the Doing Business 2019 issued by the World Bank, China's cross-border trade ranking has been lifted from 97 to 65, up 32, indicating that China's port business environment has been greatly improved, and the level of customs clearance and trade facilitation has been significantly improved. (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. With the progress of reforms including the "single-window", "Three Mutuals", especially the further promotion of the standard version of "single-window" (the planned utilization rate will reach 100% in 2019), such issues are likely to be improved gradually.

General Comment

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

Recommendations

Further 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. By December 2018, the overall customs clearance time for imports had been 42.5 hours, down 56.36% as compared with that in 2017, and the overall customs clearance time for exports had been 4.77 hours, down 61.19% as compared with that in 2017.

Measures include:

Reducing the supervision documents for import and export inspection;

Implementing "advance declaration" for import and export goods;

Implementing "release prior to inspection" for import mineral products;

Promoting and implementing the reform of tariff guarantee insurance;

Promoting and applying intelligent mapping of machine inspection equipment;

Opening the "green channel" for the rapid clearance of agricultural and sideline products;

Intensifying the construction of intelligent port information technology and promoting paperless port operation process in conjunction with the Ministry of Transport and the local people's governments;

Carrying out pilot program of two-step declaration reform, 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, including:

Promoting the establishment of a nationwide cooperation mechanism for the supervision and management of port charges, implementing a publicity system for import and export charges, publishing a unified list of charge items and standards, and marking prices clearly, so as to compel the standardization of operating and service charges through information disclosure, and effectively reduce the compliance costs in the import and export links.

General Comment

Customs has made efforts to reduce the time and cost of customs clearance and achieved fairly positive results. According to the Doing Business 2019 issued by the World Bank, the compliance costs of import and export documents in China dropped from US\$170.9 and US\$84.6 to US\$122.3 and US\$73.6 respectively, while the compliance costs of import and export border decreased from US\$745 and US\$484.1 to US\$326 and US\$314 respectively. But there is still room for improvement.

(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;
The TIR Convention.

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.

The WCO Framework of Standards for Cross-Border E-Commerce formulated by China Customs was also issued by the WCO in June 2018. (Link 10.8)

Since 2019, the TIR Convention has been fully implemented by the China Customs. (Link 10.9)

General Comments

China has joined the World Trade Organization (WTO) and the World Customs Organization (WCO), but needs to continue to 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. By the end of June 2019, the standard version of "single window" has completed 12 basic functions, realizing docking with 25 ministries and commissions, providing 464 items of online services, covering various types of ports such as sea, air, highway, railway, customs special regulatory areas, free trade pilot areas, cross-border e-commerce comprehensive pilot areas and other areas as well as customs broker, logistics business, financial insurance and other enterprises. The total number of registered users has reached more than 2.2 million, and the total amount of declaration business has exceeded 270 million bills. The application rate of major declaration business (cargo, shipping bill and ship declaration) has reached more than 90%, and the application rate of cargo declaration is 100%. (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. According to the plan, by the end of 2019 the main declaration rate will basically reach 100%.

Recommendations

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.

3. Expanding the use of new communication technologies such as micro-messaging and voice communication, and minimizing the submission of paper documents by windows.

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.

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. On the basis of the previous national customs clearance integration and integration of customs clearance and customs inspection, in January 2019 China Customs promulgated the Framework Plan for the Comprehensive Deepening of Customs Business Reform 2020, in which it is proposed that we should continuously promote the comprehensive deepening of reform at a higher starting point, a higher level and a higher goal, in an attempt to make new breakthroughs in key areas and links of the integration of customs clearance throughout the country.

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:

- (1) Failure to have a valid "License for Quarantine of Entry Animals and Plants" where verification for an entry product is required;
- (2) Failure to register in China where registration is required of an aquatic product producer;
- (3) Failure to have the inspection and quarantine certificate issued by the authority of the exporting country or region;
- (4) 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 port customs shall, based on the results of laboratory testing of the imported meat product, handle the product in the following ways:

- (1) If a product passes inspection and quarantine, issue the Inspection and Quarantine Certificate of Entry Goods, and approve production, processing, sale and use. The Inspection and Quarantine Certificate of Entry Goods shall indicate the container number, batch number, manufacturer's name, registration number and shipping mark of imported meat products.
- (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.
- (3) If items other than personal safety, health and environmental protection are not up to standard after inspection and quarantine, they may be handled

technically under the supervision of the Customs and sold or used only after they are up to standard.

(4) Where external claims are required, relevant certificates shall be issued." (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 handle the return formalities; 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.

The entry-exit inspection and quarantine organ shall issue a notice of non-installation and use of imported complete sets of equipment and materials that are not qualified for inspection. Only after technical treatment and reexamination by the entry-exit inspection and quarantine organ can they be installed and used.

Article 50 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 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 does not match the provisions in the Certificate;

(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 " The Customs shall issue risk warning based on food safety risk levels, and that GACC 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.

The Customs 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 "The Customs 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 Customs 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 Customs 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 Customs. Such products cannot be transferred without permission of the Customs.

The importer shall finish destroying within three months, and report the result to the Customs." (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.

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).

However, at the end of 2018 and the beginning of 2019, the State Council and GACC issued successively regulations to standardize customs supervision over bonded maintenance business, encourage support for legitimate and compliant inbound maintenance business, allow enterprises in the comprehensive bonded area to carry out high-tech, high value-added, environmentally friendly bonded testing and global maintenance business, and support third-party inspection and testing certification agencies to carry out import and export inspection and certification services in the comprehensive bonded area. (Link 10.39)

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, 11.6 and 11.7)

Based on results of risk analysis, assessment and examination, the Customs negotiates 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.

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."

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."

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."

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 11.15, 11.16, 11.17, 11.18, 11.19 and

11.20) 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.

In addition, China began to implement the TIR Convention pilot program in May 2018, expanded the scope of the pilot program in March 2019 and fully implemented it in June 2019.

- (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**

Customs Verification Operation after Integration of Customs Services and Entry and Exit Quarantine and Inspection Services

——Taking Commodity Inspection as an Example^①

Li Zhuo, Yu Deshui

After the integration of customs services and entry and exit quarantine and inspection services, the verification operation of the new customs covers 65 standardized operations involving the former customs and the former inspection and quarantine, including almost all the basis of law enforcement. Verification operation is the epitome and representative of the integration of customs services and entry and exit quarantine and inspection services. Analyzing the current situation of integration of verification operation can reflect the original intention of the top-level design of the deepening reform plan of the new customs and the implementation at the grass-roots level from a more typical perspective.

Systems in Force

(1) List of powers and responsibilities

The Outline for the Construction and Implementation of a Government under the Rule of Law (2015-2020) proposes vigorously promoting the power list, responsibility list and negative list system and implementing dynamic management.^② The list of powers and responsibilities is the list of powers and responsibilities of departments that list and illustrate the functions of departments, legal basis, implementation subjects, responsibilities and powers, management processes, supervision methods and other matters, and realize information disclosure.^③

^① This article is based on the relevant laws, regulations, departmental rules and the published lists of departments' powers and responsibilities. Commodity inspection is classified according to the "integration of multiple inspections" item in the integration of customs services and entry and exit quarantine and inspection services.

^② The Central Committee of the Communist Party of China and the State Council issued and printed the Outline for the Construction and Implementation of a Government under the Rule of Law (2015-2020): http://www.gov.cn/xinwen/2015-12/28/content_5028323.htm

^③ Pilot Program for the Compilation of the Lists of Powers and Responsibilities by Seven Departments of the State Council: http://www.gov.cn/xinwen/2016-01/06/content_5031037.htm

1. List of powers and responsibilities of the former customs system

The list of powers and responsibilities of GACC published by GACC includes six parts: customs supervision, tax collection, preventing and countering smuggling, customs statistics, port management and other matters (the negative list has not yet been published).^①

2. List of powers and responsibilities of the original inspection and quarantine system

Since the former AQSIQ was not listed in the 7 pilot ministries and commissions of the Pilot Program for the Compilation of the Lists of Powers and Responsibilities of the Departments of the State Council at that time,^② a unified list of the list of powers and responsibilities of AQSIQ had not been issued before the institutional reform. However, as the central and local governments at all levels are implementing the power and responsibility list system, the provincial quality and technical supervision bureaus and the inspection and quarantine bureaus under the former AQSIQ announced the provincial lists of powers and responsibilities (negative lists had not yet been published). For example, before the institutional reform, the former Jiangsu Provincial Inspection and Quarantine Bureau issued the List of the Powers and the List of the Responsibilities of Jiangsu Provincial Inspection and Quarantine Bureau.

3. New list of customs powers and responsibilities

After the institutional reform, the new customs has not yet published a unified list of powers, responsibilities, and negative list. At present, the original list of customs powers and responsibilities and the original list of inspection and quarantine powers and responsibilities are still in operation in parallel.

(2) Relevant systems of the verification of the former customs, the follow-up supervision of the former inspection and quarantine departments and the follow-up supervision of the "integration of multiple inspections" of the new customs

1. Verification of the former customs

At the legal level, the concept of "verification" has not been seen in the Customs Law, nor has it been systematically summarized in the legal system, nor have detailed working rules been formulated. The verification system of the former customs was established by integrating various bonded supervision systems extended by the Customs Law. The verification work of the former customs went through three stages: bonded verification, three-in-one inspection and customs clearance integration. The promulgation and implementation of the Measures for Customs

^① List of powers and responsibilities of GACC: <http://www.customs.gov.cn/customs/hgzsqlhzrqdsx/cjzs/index.html>

^② Notice of the General Office of the State Council on the Issuance of the Pilot Program for the Compilation of the List of Powers and Responsibilities of the Departments of the State Council (Notice of the General Office of the State Council No. [2015] 92): http://www.gov.cn/zhengce/content/2016-01/05/content_10554.htm

Bonded Verification marks the formal establishment of the Customs Verification System.

2. Follow-up supervision of the former inspection and quarantine departments

In the Commodity Inspection Law, Food Safety Law, Frontier Health and Quarantine Law and Implementing Regulations of the Entry and Exit Animal and Plant Quarantine Law and other laws involving the supervision of the former inspection and quarantine departments, "supervision and management" sections have been set up, but not in the Entry and Exit Animal and Plant Quarantine Law.

3. Follow-up supervision of the new customs

At present, there are 65 (56 + 9) catalogues of operation standardization sheets for customs verification. The reference superordinate legal basis of the legal documents is attached to the text of the standardized operation form for customs verification. The traceability of its legal basis is the same as that of the original list of customs powers and responsibilities.

Existing problems

At present, there are two main problems in the verification operation of the new customs: merging and integration of systems and the personnel.

(1) Merging and integration of systems

Judging from the list of customs powers and responsibilities and the list of verification operations of the customs, although the legal origins of the two are consistent, there are still some inconsistencies:

First, in the list of powers and responsibilities to be disclosed to the outside world, the former customs (disclosed by GACC) and the former inspection and quarantine departments (disclosed by the former inspection and quarantine bureaus directly under the former AQSIQ) classified the lists of powers and responsibilities in different ways. It increases the difficulty and workload of merging the list of customs powers and responsibilities and the list of inspection and quarantine powers and responsibilities.

Second, in the process of the integration of customs services and entry and exit quarantine and inspection services, there exist problems such as over-segmentation of verification operations and insufficient streamlining and integration, more verification standardization operation items (currently 65 items) than the items on the list of powers and responsibilities (more than 30 items). There is still room for integration of verification standardization operations under the same or similar matters of powers.

Third, the revision of the Customs Law and its relationship with the original "four laws

and three regulations" of inspection and quarantine departments have increased the uncertainty of the list of powers and responsibilities and the system design of verification standardization operations.

(2) Personnel

First, in the process of the integration of customs services and entry and exit quarantine and inspection services and institutional integration, not all departments and fields strictly divide responsibilities by powers, set posts by responsibilities and set personnel by posts. There is also the phenomenon of "tailoring some posts for some people".

Second, the boundary between post qualifications and post abilities is not clear, and there exists the phenomenon that post training is managed according to post qualifications. Some posts need to obtain certain qualifications and certificates, such as administrative law enforcement posts and administrative law enforcement certificates; while in case of the initial training of some other posts, as long as the trainees pass the training assessment, they can be employed without qualification certificates. Once people who do not have enough competence and experience hold positions with higher qualifications, they may bring troubles to enterprises.

Third, there are problems left over from history. The main problem is the mixed post of the former inspection and quarantine, which is not directly related to the verification work, but affects the development of the verification work.

Suggestions

(1) Verification operations based on the original lists of customs and inspection and quarantine powers and responsibilities

Before the issuance of the new lists of powers and responsibilities, the lists of powers and responsibilities issued by each party before the integration of customs services and entry and exit quarantine and inspection services are still in operation. Among them, in the integration of verification work, attention should be paid to three aspects: first, the former lists of powers and responsibilities focus on the pre-event and in-event, and the corresponding post-event parts are missing, which should be supplemented and improved; second, in terms of verification, the powers and matters can be divided, refined and integrated in advance according to the "three definitions" plan at all levels; third, in order to facilitate the implementation of the new verification system as soon as possible, it is possible to sort out the list of powers and responsibilities based on the existing customs laws and regulations, the "three definitions" plan of GACC and the departmental rules, without considering the influence of factors such as the

amendment of the Customs Law for the time being.

(2) Verification operations based on the new lists of customs and inspection and quarantine powers and responsibilities

Start the revision of the list of customs powers and responsibilities as soon as possible, and make corresponding adjustments such as adding, retaining, canceling and decentralizing in accordance with the customs laws and regulations. If the basis of the laws and regulations is insufficient, they will not be included for the time being, and will be supplemented and improved after the completion of the legislative work.

The new verification standardization operations should disassemble the original two sets of operation standardization sheets according to the new list of powers and responsibilities, re-integrate them, and form clearer and simpler operation guidelines by merging the similar items.

(3) Verification operations under the background of law amendment

After the integration of customs services and entry and exit quarantine and inspection services, China customs also becomes the main body of law enforcement in the five laws of the Customs Law, the Animal and Plant Quarantine law, the Health Quarantine Law, the Commodity Inspection Law, and the Food Safety Law. Due to the obvious overlap of the above five types of supervision and enforcement procedures, the best way to deal with them is to integrate them into the Customs Law.

(4) Integration and optimization of operation standardization sheets for commodity inspection verification

It is suggested that the leading departments of verification standardization operation sheets should further optimize the working standards for the new customs verification operations, improve the corresponding work guidelines, and revise the relevant H/T standardization operation rules in a timely manner so as to make them more in line with the legal requirements in the list of powers and responsibilities.

GACC and the State Administration for Market Regulation should establish a mechanism to avoid duplicate inspection, duplicate charging and duplicate penalties for all kinds of import and export commodities, lighten the burden on enterprises, and establish a mechanism for notification and cooperation of defect information of imported products.

In addition, we should make full use of the information system to improve work efficiency and make the non-tax verification information system go live as soon as possible. In particular, in some of the more effective verification operations, such as the return survey, currently using paper transfer orders are used, leading to the long time needed to issue instructions, which

directly affects the return, maintenance and re-export delivery of enterprises.

Some Verification Standardization Operation Sheets and "Legal Basis"

(Taking Commodity Inspection as an Example)

<i>Operation sheet name</i>	<i>Legal documents the operation sheet is based on</i>
Spot inspection and verification standardization operation of imported goods after entering the domestic market	1. Article 19 of the Import and Export Commodity Inspection Law of the People's Republic of China (2018 Revision)
	2. Article 19 and Article 20 of the Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China (2017 Revision)
	3. Article 2 of the Circular on the Issuance of Measures for the Supervision and Administration of the Quality of Imported Commodities in the Field of Circulation (CIIA [1997] No. 153)
	4. Measures for the Spot Inspection of Import and Export Commodities (promulgated by Decree No. 39 of the former AQSIQ, revised by Decree No. 238 of GACC, Annex 29)
Retrospective verification standardization operations of returned goods of export industrial products	1. Article 35 of the Import and Export Commodity Inspection Law of the People's Republic of China (Decree of the President No. 67)
	2. Article 41 of the Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China (Decree No. 676 of the State Council)
	3. Announcement on Related Issues Concerning the Retroactive Investigation of Export Industrial Products (Announcement No. 82 of 2012 of the former AQSIQ)
	4. Notice on Issuing the Code for the Retroactive Investigation and Management of the Returned Goods of Export Industrial Products (Article 12 No. 269 [2012] of the former AQSIQ)
Standardization operations of notification and recall investigation of non-conforming export commodities	1. Article 10 and Article 35 of the Import and Export Commodity Inspection Law of the People's Republic of China (Decree of the President No. 67, Revision 2018)
	2. Article 14, Article 27, Article 41 and Article 46 of the Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China (Decree of the State Council No. 676, 2017 Revision)
	3. Code for the Notification and Recall of Non-conforming Export Commodities (Notice of the former AQSIQ [2013] No. 18)
	4. Sino-US Consumer Product Safety Action Plan (2005)
	5. Memorandum of Understanding between China and Europe on Management Cooperation Arrangements (2006)
	6. Agreement on Cooperation in Standard Measurement, Inspection and Certification across the Taiwan Straits (2009)

<i>Operation sheet name</i>	<i>Legal documents the operation sheet is based on</i>
Standardization operations of verification of imported solid wastes used as raw materials by the domestic consignees	<ol style="list-style-type: none"> 1. Article 22 and Article 50 of the Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China 2. Measures for the Administration of Solid Waste Import (Decree No. 12 of the Ministry of Environmental Protection, Ministry of Commerce, National Development and Reform Commission, GACC, and AQSIQ) 3. Measures for the Administration of the Supervision of the Inspection and Quarantine of Imported Solid Wastes Used as Raw Materials (Decree No. 194 of the former AQSIQ, revised by Decree No. 243 of GACC, Annex 45) 4. Announcement of GACC on Promulgating the Detailed Rules for the Implementation of the Registration and Administration of Imported Solid Wastes Used as Raw Materials (Announcement No. 57 of 2018 of GACC)
Standardization operations of spot inspection of quality and safety export commodities	<ol style="list-style-type: none"> 1. Import and Export Commodity Inspection Law of the People's Republic of China (Revision 2018) 2. Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China 3. Opinions of the State Council on Improving the Quality and Safety Risk Early Warning and Rapid Response Supervision System for Import and Export Commodities to Protect Consumers' Rights and Interests (Document of the State Council [2017] No. 43) 4. Measures for the Spot Inspection of Import and Export Commodities (Revised by Decree No. 238 of the GACC Decision on the Amendment of Some Regulations, Annex 29)
Standardization operations of follow-up verification of imported medical devices without online verification	<ol style="list-style-type: none"> 1. Article 24 and Article 82 of the Customs Law of the People's Republic of China (Revision 2017) 2. Article 26 of the Import and Export Commodity Inspection Law of the People's Republic of China (2018 Revision) 3. Regulations on the Implementation of the Import and Export Commodity Inspection Law of the People's Republic of China (Revision 2017) Articles 10, 19, 20 and 46 4. Article 42, Article 43 and Article 76 of the Regulations for the Supervision and Administration of Medical Devices (Decree No. 680 of the State Council) 5. Article 4 of the Measures for the Administration of the Entry Inspection of Civil Goods under the Import Licensing System (Decree No. 6 of 2001 of the former AQSIQ, revised by Decree of GACC [2018] No. 238) 6. Article 17 and Article 18 of the Regulations for the Supervision and Administration of Medical Devices (Decree No. 25 of the former CFDA and the former National Health and Family Planning Commission of the People's Republic of China)

<i>Operation sheet name</i>	<i>Legal documents the operation sheet is based on</i>
	7. Article 11, Article 35, Article 44, Article 65, Article 87, Article 88 and Article 89 of the Good Clinical Practice for Medical Devices (Decree No. 5 of 2014 of the former CFDA)
	8. Article 10, Article 11, Article 13, Article 47 and Article 71 of the Measures for Supervision and Administration of Medical Device Production (Decree No. 7 of 2014 of the former CFDA)

AEO system and China Customs Enterprise Credit Management System

Hu Zhong, Xiong Bin

Overall Evaluation

Decree No. 237 of GACC, the Measures for the Credit Management of Customs Enterprises of the People's Republic of China, came into effect on May 1, 2018. The construction of import and export credit management system of customs enterprises in China has gradually become the norm.

In order to better implement Decree 237, on January 1, 2019, GACC issued and implemented a series of supporting rules and regulations Announcement No. 177 of 2018 Standards for Customs Certification Enterprises, Announcement No. 181 on Implementing the Management of Enterprise Coordinators successively, which indicates that the internationally accepted AEO (Authorized Economic Operator) system has been formally established in China.

According to the rules, the Customs should accredit the enterprises with good credit status, law-abiding degree and safety management, give preferential facilities to the enterprises that have passed the certification, and gradually establish a new Customs supervision system focusing on strengthening credit supervision and innovating the concept, system and mode of supervision. Customs AEO certification has been highly valued by foreign-related enterprises. AEO system has gradually become a means for enterprises to strengthen and improve management and enhance self-discipline, which has played a role in promoting the formation of a good social atmosphere of honesty and law-abiding operation.

System Development and Implementation

Construction of AEO System

In 2018, China Customs amended the credit management system according to the latest development of the national social credit system construction and the requirements of international cooperation. On May 1, 2018, Decree of GACC No. 237, Measures for the Credit Management of Customs Enterprises of the People's Republic of China, was officially implemented. At the same time, China Customs also ran the "customs enterprise import and

export credit management system" matching with the customs credit management system, and established the "China Customs import and export credit information publicity platform" and "China Customs cooperation platform".

Decree No. 237 of GACC adjusted the measures for the management of enterprises accordingly.

Revision and Implementation of Standards for Customs Certification Enterprises

On the basis of the official implementation of the Measures for the Credit Management of Customs Enterprises of the People's Republic of China and the work arrangements for the integration of the customs and inspection and quarantine business and institutional reform, China Customs has revised and improved the supporting systems such as Standards for Customs Certification Enterprises which was officially implemented on January 1, 2019.

This revision of Standards for Customs Certification Enterprises is aimed at three different types of enterprises: import and export consignees, customs declaration enterprises and foreign trade integrated service enterprises, forming a 1+3 enterprise certification standard system, in which "1" is a general standard and applicable to all enterprises; "3" is a special standard formulated for the characteristics of three different types of enterprises; at the same time, the detailed provisions of the standard are adjusted and identified accordingly so as to make them more scientific and objective and conform to the actual situation of enterprise management.

On August 1, 2019, the Circular of the General Office of the State Council on Publishing and Issuing the Key Task Division Plan for the National Telephone Conference on Deepening the Reform of "Delegation of Power, Integration of Power Delegation and Management and Optimization of Services" and Optimizing the Business Environment (No. 39 of 2019 of the General Office of the State Council) was issued to further clarify the need to strengthen the construction of social credit system and vigorously promote credit supervision, establish and improve a new Customs supervision mechanism based on credit, implement differentiated customs clearance supervision measures according to enterprise credit rating, and require the GACC to promulgate the certification standards for cross-border e-commerce and other enterprises before the end of 2019, so as to provide a more refined management basis for enterprise credit rating certification.

Continuously Improve the Cultivation of Enterprise AEO Certification and Expand the Scope of Enterprise AEO Certification

In order to better promote the construction of credit management system for import and export enterprises, China Customs has carried out various levels and forms of policy propaganda,

with a view to maximizing the understanding of Customs credit management concepts and standards, and establishing precise support mechanism, and planning guidance for target enterprises in a planned and step-by-step manner, so as to make AEO system more effective, establish a benchmark and play a radiation role.

With the implementation of the revised Standards for Customs Certification Enterprises, China Customs on the one hand should pay close attention to the review of the advanced certification enterprises with the 3-year certificate expired, and at the same time, intensify the review of the enterprises translated from the former Class A firms. In addition, through dynamic supervision, real-time review and supervision of enterprises with weak internal control management is carried out.

Continue to Strive to Enhance the Sense of Acquisition of Trustworthy Enterprises

With the continuous and in-depth development of the customs AEO system, China Customs has continued to release favorable policies for the trustworthy enterprises. Especially in the 2020 Framework of the Customs' Comprehensive Deepening of Business Reform announced in March 2019, it is stipulated that we should further implement the management concept of corporate integrity, compliance and operation, and continuously enhance the sense of acquisition of high credit enterprises.

Effectively Implementing Joint Punishment for Discredit Enterprises

Since 2019, China Customs has gradually formed a normal mechanism for the publicity system of discredit enterprises, and regularly announced the list of discredit enterprises, and adjusted it strictly according to the prescribed time limit.

China Customs will take strict supervision and other disciplinary measures to increase the cost of discredit enterprises. The main management measures are: to increase the inspection rate of import and export goods in a large proportion, to increase the frequency of inspection and verification of enterprises, and to require enterprises to provide full guarantee for processing trade. Affected by this, the customs clearance time of goods of discredit enterprises is far higher than the average customs clearance time of goods as a whole. Discredit-related information will also be shared with courts, taxation, industry and commerce, securities supervision, environmental protection, security supervision and other departments, which will be included in the scope of "joint punishment for discredit", so that discredit enterprises can be limited in their market operations.

Remarkable Results have been Achieved in International Mutual Recognition of AEO

2018 and 2019, China Customs achieved fruitful results in mutual recognition cooperation of AEO, successively signed with the customs of 7 countries including Israel, Japan, Belarus,

Mongolia, Kazakhstan, Uruguay, the United Arab Emirates to implement the AEO mutual recognition arrangement. By the end of July 2019, China Customs has implemented mutual recognition of AEO with 41 countries (regions) of 14 economies. 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 other important trading countries so that more and more import and export trustworthy enterprises will "go out" and realize "one clearance worldwide".

Suggestions for Improvement

Further improve Standards for Customs Certification Enterprises

Although the newly revised Standards for Customs Certification Enterprises is close to the reality of enterprise management to a certain extent, there are still some standards that are too principled or not operational. In particular, the current general accreditation enterprise standards have more requirements than the original standards, which require enterprises to invest more, and fail to take full account of the overall situation of the operation of enterprises in China. This leads to the low enthusiasm of relevant enterprises and makes it possible for general certification to become something of little value.

Further Disclosing and Implementing Customs Certification Procedures

In the actual customs certification, the settings of some operation procedures are not reasonable or transparent, which, coupled with the actual arrangements of customs, makes it impossible for enterprises to make relevant preparations according to the definite work plan.

Some procedures, such as relief and assistance, do not have specific and detailed operational guidelines. Enterprises cannot protect their legitimate rights and interests, and also make the relevant provisions null and void.

Further Improve the Unification of Customs Law Enforcement

In view of the principle of certification standards and the complexity of enterprise management, there are different interpretations or mastery standards for different standards and different certification officers in the actual authentication process. Some interpretations even differ greatly so that enterprises do not know what course to take.

Issuing Guidelines for Introducing Third Party Professional Institutions to Participate in the Construction of AEO System

The establishment of AEO system involves all aspects of enterprise management. It is a system project needed to be continuously improved and customs plays a leading role in it.

However, in the face of a large group of enterprises, China Customs has very limited supervision resources, and has no time or ability to cover the whole. In this regard, third-party professional institutions can become an important reserve force. With their professional advantages, they can be close to the market service system and serve enterprises. This requires China Customs to formulate practical work guidelines (including qualification assessment, work procedures, service standards, assessment and supervision), guide and standardize third-party professional institutions to better participate in the construction of AEO system, so that they can become a powerful assistant of China Customs in the supervision process.

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^④

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 State Council's Several Opinions on Supporting the Steady Growth of International Trade (Guobanfa [2014] No. 19): 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

④ 2016 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 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

Work Plan for Optimizing Business Environment at Ports to Promote Cross-border Trade Facilitation.^③

Notice of the State Council on Several Measures to Support the Deepening Reform and Innovation of Pilot Trade Zones.^④

Notice of the State Port Administration Office on Promoting the Function of Export Tax Rebate of the National Standard Version of "Single Window" in International Trade.^⑤

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)^⑥ Matters Relating to the Merger of Qualifications for Enterprise Customs Declaration and Inspection (General Administration of Customs Notice No. 28, 2018)

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

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 Work Plan for Optimizing Business Environment at Ports to Promote Cross-border Trade Facilitation: http://www.gov.cn/zhengce/content/2018-10/19/content_5332590.htm

④ Notice of the State Council on Several Measures to Support the Deepening Reform and Innovation of Pilot Trade Zones: http://www.gov.cn/zhengce/content/2018-11/23/content_5342665.htm

⑤ Administration Office on Promoting the Function of Export Tax Rebate of the National Standard Version of "Single Window" in International Trade: <http://www.singlewindow.cn/tzgg/4654.jhtml>

⑥ 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>

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.^①

In mid-2017, China launched a standardized version of international trade single window. The 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 places that don't have an E-port platform, they can rely on the China E-Port Platform and use the standardized version.^②

Reform and Business Coverage of the Customs Clearance Practice Procedures

On 31st Dec 2016, the unified portal website "China International Trade Single Window" was officially launched online.^③

By the end of November 2017, the standard version of the international trade "single window" had covered the whole country (except Hong Kong, Macao and Taiwan), with more than 100,000 business declarations per day and 35,000 registered users. By the end of September 2018, the standard version of the international trade "single window" reached more than 80%, and the application rate of goods declaration reached 100%. 17By the end of 2018, the standard version of the international trade "single window" had realized the system docking and sharing with 25 ministries and commissions, with more than 2.2 million registered users and more than 5 million bills declared daily; 12 basic service functions had been built; 60 application systems had been developed and 495 services had been provided to the outside world, covering all ports and special regulatory zones, pilot free trade zones and cross-border e-commerce comprehensive test zones in China.¹⁸

By the end of August 2019, the standardized version of the international trade "single window" (i.e. the "central standard application" module of the local "single window" websites)

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 GACC: Promote the Standardized Version of International Trade Single Window: <http://www.customs.gov.cn/publish/portal0/tab44653/info841912.htm>

③ About Us: <http://www.singlewindow.cn/gywm/index.jhtml> Quickly Implementing the Spirit of the 25th and 26th Executive Meetings of the State Council and the 4th Plenary Meeting of the Joint Inter-ministerial Meeting of the State Council's Port Work by Port Offices and Customs directly under the State Council: <http://www.singlewindow.cn/xwdt/4200.jhtml> Registered Users of International Trade "Single Window" Exceeded 2.2 million: <http://finance.people.com.cn/GB/n1/2019/0419/c1004-31037921.html>

had covered a total of 14 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, financial services, export tax rebate, port logistics, query statistics. In addition, the mini program of international trade "single window" national port fee list inquiry has gone live. On some local "single window" websites, based on local characteristics, "local characteristic applications" and other services have been introduced.^①The system of free declaration has been implemented for "single window".

According to the requirements of the State Council, by the end of 2019, the application rate of international trade "single window" will reach 100%.

Development Goals

The standardized version of international trade single windows had been launched at all ports nationwide by the end of 2017^②, and by the end of 2019, the application rate of major business will reach 100%. Its next development trend is to continue to adapt to the institutional reform of the State Council, "Three Mutuals" in the process of customs clearance, customs clearance and trade facilitation, as well as the strategic arrangements of the Free Trade Zone, Guangdong-Hong Kong-Macao Greater Bay Area, etc. to further expand functions, simplify processes, achieve interconnection with more departments and processes, and enhance integration with international standards.^③

① 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/Li Keqiang Presided over the Executive Meeting of the State Council: It is Decided to further Promote the Customs Clearance Facilitation](http://sz.singlewindow.cn/Li%20Keqiang%20Presided%20over%20the%20Executive%20Meeting%20of%20the%20State%20Council%3A%20It%20is%20Decided%20to%20Further%20Promote%20the%20Customs%20Clearance%20Facilitation): <http://www.chinanews.com/gn/2019/06-12/8863086.shtml>

② 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>

③ 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): <http://www.china-fitz.gov.cn/article/index/aid/8370.html>; 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: <http://www.singlewindow.cn/xwdt/3240.jhtml>

Quantitative Assessment on Trade Facilitation in China

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. 26 professionals^① participated the assessment of version 2020.

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 2018 to 2019 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 26 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 26 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>74.80</i>	<i>1.50</i>
<i>Sub-indicator</i>	1 Establishment of a national Customs website	0.06	82.60	1.65
	2 Possibility to provide online feedback to Customs	0.06	76.30	1.53
	3 Publication of rate of duties	0.05	85.27	1.71
	4 Establishment of enquiry points	0.05	79.64	1.59
	5 Enquiry points' operating hours	0.04	74.78	1.50
	6 Timeliness of enquiry points	0.05	71.04	1.42
	7 Information on import and export procedures	0.05	69.88	1.40
	8 Required documentation easily accessible for downloading	0.04	75.45	1.51
	9 Information about procedures published in advance of entry into force	0.06	74.37	1.49
	10 Average time between publication and entry into force	0.04	60.33	1.21
	11 Publication of agreements with any country or countries relating to the above issues	0.04	77.16	1.54
	12 Publication of information on procedural rules for appeal	0.05	77.01	1.54
	13 Publication of decisions and examples of Customs classification	0.05	73.68	1.47
	14 Publication of necessary information on advance rulings	0.06	73.82	1.48
	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	76.66	1.53
	17 Publication of judicial decisions on Customs matters	0.04	77.46	1.55
	18 Dedicated interactive page for professional users/ companies is developed to show and manage browsing history, search history, and enquiry items	0.03	73.17	1.46
	19 User manuals available online	0.03	75.38	1.51
	20 Quality/User friendliness of the research/help function of the Customs website	0.03	68.25	1.37
	21 Transparency of government policymaking	0.06	73.48	1.47
<i>First-level Indicator</i>	<i>II. Involvement of Trade Community</i>	<i>0.11</i>	<i>67.20</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	64.46	1.29
	25 Targeted stakeholders	0.11	64.01	1.28
	26 Implementation of public consultation system during previous 3 years	0.12	63.12	1.26
	27 Drafts published prior to entry into force	0.13	67.68	1.35
	28 Public comments taken into account	0.13	67.70	1.35
	29 Communication of policy objectives	0.13	75.60	1.51
<i>First-level Indicator</i>	<i>III. Advance ruling</i>	<i>0.09</i>	<i>77.60</i>	<i>1.55</i>
Sub-indicator	30 Issuance of binding advance rulings	0.10	70.44	1.41
	31 Issuance of binding advance rulings on tariff classification	0.11	71.21	1.42
	32 Issuance of binding advance rulings on origin	0.10	71.76	1.44
	33 Length of time for which the advance ruling is valid (duration)	0.09	69.03	1.38
	34 Publication of the maximum time by which the advance ruling will be issued	0.11	79.35	1.59
	35 Maximum time by which the advance ruling will be issued AR maximum issuance time	0.11	100.00	2.00
	36 Possibility of advance rulings issued within the maximum issuance time	0.08	86.03	1.72
	37 Information on advance rulings of significant general interest published	0.11	77.29	1.55
	38 Possibility to request a review of an advance ruling or its revocation / modification	0.09	76.35	1.53
	39 Refusal to issue or the revocation of advance rulings is motivated	0.10	73.20	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>
	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>83.50</i>	<i>1.67</i>
Sub-indicator	49 Information published on fees and charges	0.08	84.00	1.68
	50 Evaluation of fees and charges	0.07	79.28	1.59
	51 Information on fees and charges all-inclusive	0.07	80.93	1.62
	52 Total number of fees collected (number - diversity)	0.07	78.42	1.57
	53 Fees for answering enquiries and providing required forms and documents	0.07	95.03	1.90
	54 Fees and charges periodically reviewed to ensure they are still appropriate and relevant	0.07	78.88	1.58
	55 An adequate time period granted between the publication of new or amended fees and charges and their entry into force	0.07	79.61	1.59
	56 Fees for Customs services during normal working hours	0.05	97.68	1.95
	57 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - transparency	0.08	83.40	1.67
	58 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - proportionality	0.08	85.98	1.72
	59 Does the administration provide any explanation in writing on the basis for assessing and applying the penalty	0.07	79.05	1.58
	60 Conflicts of interest in the assessment and collection of penalties and duties	0.06	91.21	1.82

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
	61 Is voluntary disclosure of the breach of customs regulation by the person responsible a mitigating factor when establishing penalties	0.10	81.87	1.64
	62 Level of total fees and charges	0.07	79.88	1.60
<i>First-level Indicator</i>	<i>VI. Formalities-documents</i>	<i>0.09</i>	<i>82.96</i>	<i>1.66</i>
Sub-indicator	63 Copies of documents accepted	0.11	82.35	1.65
	64 Percent of supporting documents required for import, export and transit formalities for which copies are accepted	0.11	73.27	1.47
	65 International Standards compliance	0.14	81.98	1.64
	66 Number of documents for import	0.14	100.00	2.00
	67 Number of documents for export	0.12	100.00	2.00
	68 Periodic review of documentation requirements	0.14	76.62	1.53
	69 Complexity of preparing documents for import	0.14	71.84	1.44
	70 Complexity of preparing documents for export	0.12	76.49	1.53
<i>First-level Indicator</i>	<i>VII. Formalities-automation</i>	<i>0.08</i>	<i>80.09</i>	<i>1.60</i>
Sub-indicator	71 Percent of import declarations cleared electronically	0.08	67.88	1.36
	72 Percent of export declarations cleared electronically	0.08	79.97	1.60
	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	79.52	1.59
	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	86.64	1.73
	76 Electronic payment system integrated with the automated declaration/cargo processing systems	0.08	87.83	1.76
	77 Risk Management applied and operating in an automated environment	0.08	82.75	1.65
	78 Single window supported by information technology	0.09	81.60	1.63
	79 IT Systems capable of accepting and exchanging data electronically	0.07	80.08	1.60
	80 Automated processing system include functions allowing for the release of goods subject to conditions (i.e. guarantee)	0.08	83.48	1.67

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
	81 Digital certificates and signatures in place	0.08	83.41	1.67
	82 Automated processing for Customs declarations available full-time (24/7)	0.08	84.54	1.69
	83 Quality of telecommunications and IT	0.07	72.38	1.45
<i>First-level Indicator</i>	<i>VIII. Formalities-procedures</i>	<i>0.09</i>	<i>84.38</i>	<i>1.69</i>
<i>Sub-indicator</i>	84 Single Window	0.04	82.62	1.65
	85 Publication of Average Release Time	0.04	70.64	1.41
	86 Average import clearance time	0.04	100.00	2.00
	87 Average export clearance time	0.04	100.00	2.00
	88 Implementation of pre-arrival processing	0.04	76.47	1.53
	89 Percent of goods undergoing physical inspections	0.04	77.14	1.54
	90 Percentage of physical inspections for perishable goods	0.04	92.73	1.85
	91 Facilitation for perishable goods with regards to physical inspection –timeliness	0.03	83.21	1.66
	92 Facilitation for perishable goods with regards to physical inspection –timeliness – storage condition	0.03	82.69	1.65
	93 Release of goods separated from final determination and payment of Customs duties	0.03	83.53	1.67
	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	85.15	1.70
	96 Customs controls supported by a risk management system allowing risks to be assessed through appropriate selectivity criteria	0.03	87.86	1.76
	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	86.30	1.73
	99 Establishment of standard policies and procedures to guide PCAs	0.03	84.59	1.69
	100 Use of pre-shipment inspections required on Customs matters	0.02	80.57	1.61
	101 Possibility to provide additional trade facilitation measures to operators meeting specified criteria (authorized operators)	0.04	84.71	1.69

<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	83.19	1.66
	103 Can small and medium enterprises apply for qualification of Authorized Operator	0.04	84.65	1.69
	104 Time necessary on average to obtain Authorized Operator certification	0.03	67.14	1.34
	105 How many items can Authorized Operators enjoy from the following benefits?	0.04	100.00	2.00
	106 Adjustment of working hours of Customs personnel to commercial needs	0.02	78.13	1.56
	107 Requirement for clearance by a third-party customs broker	0.02	92.83	1.86
	108 Expedited release procedures	0.03	81.34	1.63
	109 Procedures for the re-export of rejected goods	0.03	81.31	1.63
	110 Temporary admission of goods and inward and outward processing	0.03	79.86	1.60
	111 Efficiency of Customs and delivery of imports	0.04	87.07	1.74
	112 Efficiency of Customs and delivery of exports	0.04	90.20	1.80
	113 Simplification of procedures (time)	0.03	88.96	1.78
	114 Simplification of procedures (cost)	0.03	86.22	1.72
	<i>First-level Indicator</i>	<i>IX. Internal border agency cooperation</i>	<i>0.09</i>	<i>75.68</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	77.22	1.54
	116 How many following respects does institutionalised mechanism to support inter-agency coordination cover?	0.10	100.00	2.00
	117 Domestic inter-agency coordination mechanisms meet regularly to develop strategy and oversee implementation of border agency cooperation	0.08	71.85	1.44
	118 Domestic coordination / harmonization of data requirements and documentary controls among agencies involved in the management of cross border trade	0.10	73.27	1.47
	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	70.71	1.41

	<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	75.74	1.51
	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	68.38	1.37
	122 Control delegation at the national level	0.07	72.52	1.45
	123 Coordinated / shared risk management mechanisms	0.10	73.39	1.47
	124 Coordination among domestic agencies involved in the management of cross border trade with regards to Authorized Operators programs	0.10	74.54	1.49
	125 Coordinated / shared infrastructure and equipment use	0.08	72.79	1.46
<i>First-level Indicator</i>	<i>X. External Border Agency Cooperation</i>	<i>0.07</i>	<i>70.97</i>	<i>1.42</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	71.57	1.43
	127 Alignment of working days and hours with neighboring countries at land borders where applicable	0.08	68.37	1.37
	128 Alignment of procedures and formalities with neighboring countries at borders where applicable	0.08	68.49	1.37
	129 Cross-border coordination / harmonization of data requirements and documentary controls	0.10	67.26	1.35
	130 Cross-border coordination / harmonization of the different computer systems	0.10	65.21	1.30
	131 Risk management cooperation	0.10	69.37	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	67.68	1.35
	133 Development and sharing of common facilities with neighboring countries at border crossings, where applicable	0.08	65.13	1.30
	134 Joint controls with neighboring countries at border crossings, where applicable	0.10	66.96	1.34
	135 How many following issues does the Mutual Recognition Agreements/Arrangements on Authorized Operators (AOs) cover?	0.10	95.00	1.90
	136 Exchange of staff and training programmes at the international level	0.10	73.88	1.48

<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	78.83	1.58
Sub-indicator	137 Transparent structures and functions in the border agencies clearly established	0.13	76.66	1.53
	138 Ethics policy applied to border agencies	0.10	82.59	1.65
	139 Code of Conduct established in border agencies	0.12	81.76	1.64
	140 Effective sanctions against misconduct of border agency staff	0.10	81.50	1.63
	141 Implementation and transparency of sanctions against misconduct	0.12	71.83	1.44
	142 Efficient internal communication about policies and procedures of agencies involved in the border process	0.10	70.09	1.40
	143 Internal audit mechanism established in the various agencies involved in the border process	0.12	83.04	1.66
	144 Clear provisions for the financing of the Customs administration	0.12	82.12	1.64
	145 Publication of an annual Customs report	0.10	80.01	1.60

The assessment scores show these conclusions:

① Several aspects of very good performance (scored ≥ 80): Fees and charges, formalities-documents, formalities-automation, formalities-procedures.

② Several aspects of fairly good performance (scored ≥ 70 but < 80): Information availability, advance rulings, appeal procedures, internal border agency cooperation, external border agency cooperation, governance and impartiality.

③ One aspect of average performance (scored ≥ 60 but < 70): Trade community involvement.

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)	74.80	67.20	77.60	72.55
Score (0-2)	1.50	1.34	1.55	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)	83.50	82.96	80.09	84.38
Score (0-2)	1.67	1.66	1.60	1.69
Weight	0.09	0.09	0.08	0.09
<i>First-level Indicator</i>	<i>Internal Border Agency Cooperation</i>	<i>External Border Agency Cooperation</i>	<i>Governance and Impartiality</i>	
Score (0-100)	75.68	70.97	78.83	
Score (0-2)	1.51	1.42	1.58	
Weight	0.09	0.07	0.08	

With calculation, the overall Trade Facilitation Index of China is figured out: 76.93 (0-100) or 1.54 (0-2).

2.3 Comparison with Previous Assessments

The comparison with previous assessments is shown below:

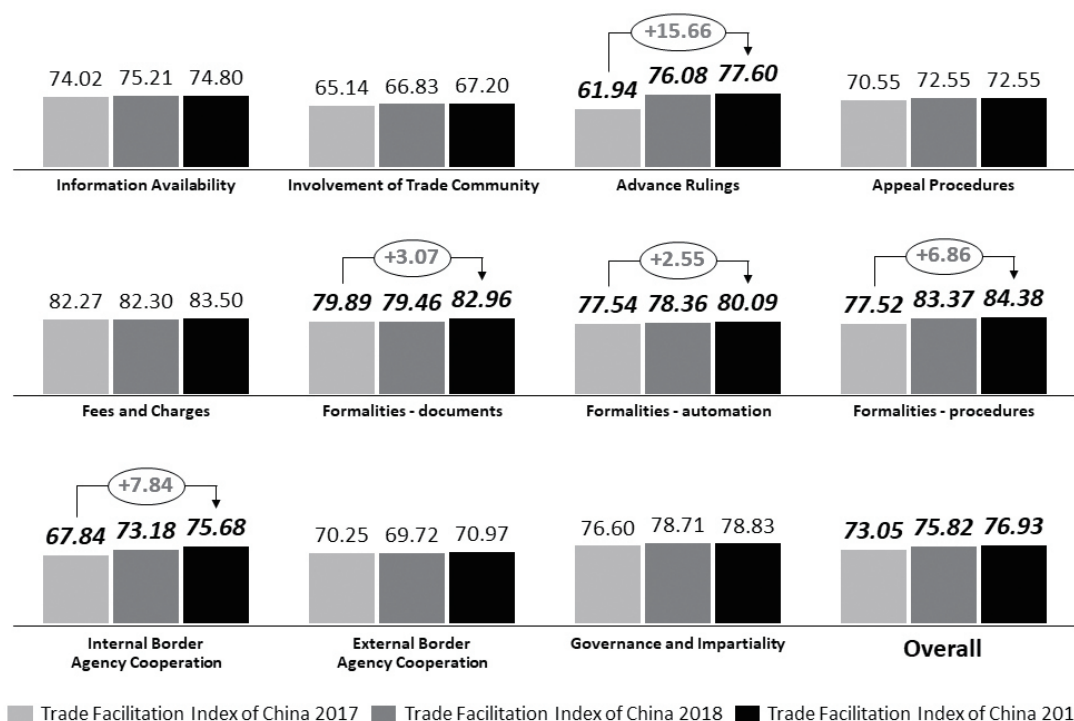


Figure 1: Scores on the trade facilitation in China (2017 / 2018 / 2019)

Since 2017, China has made remarkable progress in the aspects of advance ruling, formalities-documents, formalities-automation, formalities-procedures, and internal border agency cooperation, which mainly benefiting from:

- ① The implementation of the Interim Administrative Measures on Advance Rulings of Customs of the People’s Republic of China.
- ② The construction and development of Single-Window in China’s international trade.
- ③ The deepen reform of the integration of nationwide customs clearance systems.
- ④ The works on the simplification of required documents.
- ⑤ The merge of China Customs and China Entry-Exit Inspection and Quarantine.

2019 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 between July 1st, 2018 and June 30th, 2019.

3. The conclusion of the assessment will be a part of *Trade Facilitation Annual Report of China (2020)*.

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 (2020),
- ② presenting a copy of Trade Facilitation Annual Report of China (2020) to each respondent,
- ③ inviting the respondents to attend the release event of Trade Facilitation Annual Report of China (2020),
- 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 25th, 2019. 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 (2020)? *

- 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]

Benchmark:

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.
GAO Haijun	Tradso Information Technology Co., Ltd.
JIANG Xiaobao	Xiamen Channelton Supply Chain Management Co., Ltd.
LI Wei	Xiamen Shenyue Customs Broker Co., Ltd.
WANG Jin	Qingdao Guanjian Business Management & Consulting Co., Ltd.
ZHANG Biao	Tianjin Channelton Logistics Co., Ltd.
ZHANG Hao	Shenzhen Channelton Logistics Development Co., Ltd.
ZHANG Leibing	Dongguan Zhunjie Customs Clearance Service Co., Ltd.
ZHENG Songlin	Sinotrans Air Transportation Development Co., LTD. South China Branch
ZHOU Yucheng	LG Chem
ZHU Jianan	Tianjin Customs
lucky. Luo (pen name)	Unwilling to be disclosed
CAI Xiao	Unwilling to be disclosed
CAO Bo	Unwilling to be disclosed
GUO Guo	Unwilling to be disclosed
KANG Wenzheng	Unwilling to be disclosed
LI Shuang	Unwilling to be disclosed
LI Zhuo	Unwilling to be disclosed
REN Xiu	Unwilling to be disclosed
WU Yugen	Unwilling to be disclosed
YU Tao	Unwilling to be disclosed

① Except the professionals listed above, there are 5 professionals who want their personal information unpublished.

图书在版编目 (CIP) 数据

2020 中国贸易便利化年度报告 / 《中国贸易便利化年度报告》编撰委员会编著 . -- 北京 : 中国商务出版社 , 2019.11

ISBN 978-7-5103-3107-7

I . ① 2… II . ① 中… III . ① 对外贸易—研究报告—中国—2020 IV .
① F752

中国版本图书馆 CIP 数据核字 (2019) 第 237628 号

2020 中国贸易便利化年度报告

2020 ZHONGGUO MAOYI BIANLIHUA NIANDU BAOGAO

《中国贸易便利化年度报告》编撰委员会 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：26.25

字 数：650 千字

版 次：2020 年 12 月第 1 版

印 次：2020 年 12 月第 1 次印刷

书 号：ISBN 978-7-5103-3107-7

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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