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2021 中国贸易便利化 年度报告

TRADE FACILITATION ANNUAL
REPORT OF CHINA (2021 EDITION)

《中国贸易便利化年度报告》编撰委员会◎编著



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Mr. LIN Qian

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

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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 have changed the nomenclature of the annual report based on the years of data coverage since the 2020 edition. This is the 2021 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. The regulations, policies, and information sources contained in this Report are attached to the text of its electronic version published on the official website of Re-code (Chinese: www.re-code.org; English: www.recode-research.org) with hyperlinks for the readers' reference.

6. 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.

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

8. All the information, materials, and data in this Report are valid until August 31, 2020.

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

This is the fifth edition of Trade Facilitation Annual Report of China. Taking an objective and impartial attitude, we put more efforts on the optimization of the content, while keeping a consistent compilation style.

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, we provide 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.

The reviews of this edition cover the timespan from 1 September 2019 to 31 August 2020. We should say this is a very special period, or a tough time. The trade conflicts between the United States and China have made the economic relationship of these countries and even the global market hard to predict. But what is more unpredictable is that the burst of COVID-19, which has been spreading around the world, and deeply frustrated the global economy. Governments have hammered out all manner of measures to restrict the flows of humans, goods, and vehicles, and thereby set back the trade facilitation. After a period of tight control over the epidemic, China recovered from the shock and its production activities, imports and exports started to revive. Although there remains the impact of the epidemic, China's trade facilitation has kept going up, boosted by the endeavors made by authorities including the customs.

For years, the Report 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 and Re-code: Intel China Ltd., Cummings (China) Investment Co., Ltd., Nissan (China) Investment Co., Ltd., Shenzhen Mbase Consultants Co., Ltd., Tyco (China) Investment Co., Ltd., Flex Information Technology (Shenzhen) Co., Ltd., Shanghai Xingya Customs Brokerage Co., Ltd., Shanghai Xinhai Customs Brokerage Co., Ltd., Jiangsu Yuetong CPAs Co., Ltd., UPS (Guangdong), and Philips (China) Investment Co., 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 Recode 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/%E8%81%94%E7%B3%BB%E6%88%91%E4%BB%AC?locale=zh_CN (Chinese), <http://www.recode-research.org/contact.html> (English); Wechat: jiangxp1234.



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 2020, the score of China's trade facilitation quantitative evaluation index is 77.92 points (with a full mark of 100 points), up 0.99 points from the previous year, a slight increase of 1.29%; up 2.1 points from 2018, an increase of 2.77%.

A distinctive feature of China's trade facilitation process and business environment in this year is that there are relatively few macro institutional adjustments, and the changes mainly occur in the optimization of specific policies and the implementation of measures; customs and other departments have optimized law enforcement and improved services, with obvious effects. There are some reasons for this feature. On the one hand, due to the impact of the COVID-19 epidemic, government departments pay more attention to emergency response, and the timeliness and effectiveness of policy implementation, and focus more on the implementation; on the other hand, in the transition period between the 13th Five-Year Plan period and the 14th Five-Year Plan period, macro policies have been maintained stable before the introduction of the overall national strategic arrangement. Therefore, despite the severe impact of the epidemic on trade environment and international logistics, driven by law enforcement optimization and service improvement, China's trade facilitation quantitative evaluation index has maintained a slight upward trend, and all sub-indexes have increased.

The score of each sub-factor of trade facilitation has little change, among which "management and justice" has the largest increase of 1.38 points, which reflects that there is no significant global variable in the field of trade facilitation in China in this year. Among the sub-factors of trade facilitation, the "formalities - procedures" index scores the highest, 84.92 points, which is the best performance aspect; the "involvement of trade community" index scores the lowest, 68.61 points, which is the weakest part in China's trade facilitation and business environment.

Major events in the field of trade facilitation include:

1. The AEO system has been implemented in a faster and more detailed manner. In order to cope with the impact of the epidemic and help enterprises resume work and production, China Customs has strengthened AEO cultivation and assistance, actively provided certification guidance and training for enterprises, and expanded the customs clearance convenience for certified enterprises, with obvious results.

2. The effective customs clearance measures have been increased. In order to effectively respond to the epidemic, China Customs has taken effective measures in simplifying declaration procedures and documents, guaranteed release, tax reduction and tax deferral, Internet office, and supporting the development of new business patterns, and received good responses from enterprises.

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. Business participation has been the sub-index with the lowest score in China's trade facilitation evaluation for several consecutive years, with limited improvement. 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. Enhance the stability of information disclosure channels. Try to publish information through a unified official platform to maintain the stability of platform channel and content structure, avoid unwanted voices generated by too many voice channels, and avoid frequent revision of the website, which makes users unable to find the original information column.

3. Advocate flexible reform. The reform measures should be to provide more and better choices for enterprises, instead of forcing enterprises to accept them, or requiring enterprises to distort normal business operation due to the internal assessment of customs.

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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
信用管理	Credit Management
申报	Declaration
归类	Classification
估价	Valuation
担保	Guarantee
行政复议	Administrative Review
预裁定	Advance Ruling
单一窗口	Single Window (SW)
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)
《危险货物国际道路运输公约》	European Agreement Concerning the International Carriage of Dangerous Goods by Road
自由贸易协定	Free Trade Agreement (FTA)
自由贸易试验区	Pilot Free Trade Zone
主动披露	Voluntary Disclosure
提前申报	Advance Declaration
两步申报	Two-step Declaration
船边直提	Shipside Delivery
关税保证保险	Tariff Guarantee Insurance
抵港直装	Shipment upon Port Arrival
汇总征税	Aggregate Taxation

Review According to TFA Text

The links of the regulations, policies, and information sources mentioned in this section are published
in the “Research” column on the Re-code official website:

<http://www.recode-research.org/research.html>



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)

China Customs promulgated GACC Implementation Measures for the Opinions about Promoting Comprehensively Government Affairs 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)

GACC website published collectively the regulations for government affairs disclosure of the GACC, the State Council and other government institutions. (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. 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)

The Regulations on Optimizing the Business Environment promulgated by Decree No. 722 of the State Council of the People's Republic of China on October 23, 2019 clearly stated that the state should rely on an integrated online platform to promote the integration of government information systems; realize timely and accurate publicity of administrative law enforcement information and leaving traces and traceable management in the whole process of law enforcement and full coverage of legal review of major administrative law enforcement decisions. (Link 1.9)

The Guide of General Administration of Customs on Government Information Disclosure was renewed by the General Administration of Customs in November 2019 with inspection and quarantine services and more succinct and clear guidance. (Link 1.10)

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 1.11)

In the sub-column “Government Affairs 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 1.12, 1.13, 1.14 and 1.15)

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, which has become normalized. The national integrated online government affairs service platform "Internet + Customs" has also covered all the inspection and quarantine business functions. (Link 1.16)

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. For the portal website of China Customs, the classification of columns is complex, the user positioning is not clear enough, and the column settings are changed a lot, which sometimes causes confusion to users.

Recommendations

The columns should be sorted out, summarized and streamlined appropriately based on user positioning; the column settings should remain relatively stable, and the specific content should be updated in a timely manner.

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 "Download Center" column of GACC website, 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)

After the reform of government institutions, the "Download Center" column of GACC website provided forms and documents of inspection and quarantine required for customs clearance. Some departments of GACC posted demands on related procedures and forms. (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 implementation is relatively adequate, but 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.

(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 is 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)

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 1.33)

General Comment

The implementation is adequate.

At present, in the import and export process, China Customs have canceled the collection of all administrative charges. The fees collected in the entry-

exit process are mainly operating service charges for handling customs 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 1.34);

Announcement of GACC No.49 [2009] Issues on Additional Declaration of Import and Export Goods (Link 1.35);

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 1.36).

In June 2018, GACC decided to promote the implementation of paperless submission of goods classification data nationwide. (Link 1.37)

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 1.38);

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 1.39).

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 1.40)

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 1.41)

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 1.42).

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 China Council for the Promotion of International Trade published rules about

preferential places of origin on their websites. (Links 1.43,1.44, and 1.45)

Department of Duty Collection of GACC posted many policies on country of origin on its website, and provided online query services.(Link 1.46 and 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)

In 2020, in order to effectively respond to the impact of the new crown pneumonia epidemic, China Customs has increased its efforts to promote self-printing of certificates of origin, and the scope of policy application has been further expanded. The General Administration of Customs issued the Announcement No. 63 of 2020 on Expanding the Scope of the Self-service Printing of the Certificate of Origin, and decided to, on the basis of the original 15 certificates of origin that can be self-printed, the certificates of origin for exports to Indonesia and Singapore under the Framework Agreement on Comprehensive Economic Cooperation between the People's Republic of China and the Association of Southeast Asian Nations and the certificates of origin for exports to India under the Asia-Pacific Trade Agreement are added as self-printed certificates.(Link 1.50)

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 1.51)

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 1.52)

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 1.53)

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 1.54, 1.55, 1.56)

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 1.57)

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 1.58)

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. The information of administrative penalty cases of each customs is disclosed in the "Administrative Law Enforcement Publicity" sub-column under the "Government Affairs Disclosure" column on the portal website of China Customs. (Link 1.59)

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. 60)

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. 61)

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. 62)

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 63)

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. 64)

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. 65)

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. 66)

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. 67)

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. 68)

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. 69)

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. 70)

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. 71)

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. 72);

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. 73);

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. 74);

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. 75);

Measures on Inspection, Supervision and Administration of Import Cotton was promulgated by former AQSIQ on January 18, 2013 (Link 1. 76);

Regulations of the People's Republic of China on Certification and Accreditation was promulgated through Decree of the State Council No. 390 (Link 1. 77).

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. 78)

Administrative Review Law of the People's Republic of China. (Link 1. 79)

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. 80);

Decree of GACC No. 166 Measures of the People's Republic of China on Customs Administrative Review (Link 1. 81);

Decree of GACC No. 145 Measures for Customs Administrative Penalty Hearing of the People's Republic of China (Link 1. 82);

Measures for the Implementation of the Administrative License for Quality Supervision, Inspection and Quarantine (Link 1. 83);

Measures for the Administration of Certificates of Administrative Law Enforcement in Quality Supervision, Inspection and Quarantine (Link 1. 84);

Rules for the Application of Administrative Penalty Discretion in Quality Supervision, Inspection and Quarantine (Link 1. 85).

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. 86)

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 “Special Topic” to introduce information such as free trade agreements and preferential trade arrangements signed with other countries. (Link 1. 87)

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 " Government Affairs 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 Ministry of Commerce. (Link 1. 88 and 1. 89)

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 1.90, 1.91 and 1.92) 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. 93)

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.

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. In 2019, China Customs once again revised its portal website and adjusted the column settings. Some original practical content was transferred to the new column, which caused users to be unable to find relevant content smoothly, bringing inconvenience to users to a certain extent.

General Comment

The implementation is adequate.

Recommendations

The portal website of China Customs is more oriented towards users, functions and services. It summarizes and streamlines the columns according to user positioning, and maintains the stability of column settings and dynamic content updates.

(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. 94, 1. 95, 1. 96 and 1. 97)

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.

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 relevant information, especially practical content such as laws and regulations, is not comprehensive enough, and publication is seriously lagging behind.

Recommendations

Draw from the experience of Japanese and Korean customs, and offer English translations of laws and regulations in a timely manner.

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. 98)

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”) which provides more and more services and information. (Link 1. 99)

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.

Implementation

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."

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 "Download Center" 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. "

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

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.

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. But the committee has taken few measures to promote China's trade facilitation. It's function needs to be improved.(Link 1.100)

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. Drafts of administrative regulations should be published to the public for comments. (Link 2.1) In March 2019, the Order No. 26 of the President of the People's Republic of China promulgated the "Foreign Investment Law of the People's Republic of China", which has been implemented on January 1, 2020. It is stipulated in Article 10 that comments and recommendations from foreign-funded enterprises shall be requested in appropriate manners in the process of development of laws, regulations, and rules relating to foreign investment. (Link 2.2)

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 2.3 and 2.4)

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. (Link 2.5)

In December 2019, Order No. 723 of the State Council promulgated the "Regulation for Implementing the Foreign Investment Law of the People's Republic of China", which has come into force on January 1, 2020. It is stipulated in Article 7 that in the development of administrative regulations, rules, and normative documents relating to foreign investment, or when governments and their appropriate departments draft laws and local regulations relating to foreign investment, comments and recommendations from foreign-funded enterprises and the relevant chambers of commerce and associations, among others, shall be solicited according to the actual circumstances in multiples forms, such as written requests for comments, symposiums, justification meetings, and hearings; and for comments and recommendations involving central issues or the major rights and obligations of foreign-funded enterprises, feedbacks regarding the adoption of such comments and recommendations shall be provided by appropriate means. (Link 2.6)

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 2.7)

Implementation

Soliciting of opinions on the draft laws is available on official website of NPC and The State Council. (Link 2.8, 2.9)

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

The China Customs portal website has set up special columns for soliciting opinions and provides channels for publicly publishing suggestions; in 2020, the website will solicit opinions 6 times, including 4 legislative suggestions. (Link 2.10)

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 2.11)

General Comment

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

Recommendations

1. The General Administration of Customs had publicly solicited opinions on the "Administrative Regulations on Customs Legislation Work (Draft for Comments)" from August 21 to September 22, 2018. As of August 2020, the revision has not been completed. It is recommended to complete the revision of the "Administrative Regulations on Customs Legislation Work" as soon as possible in accordance with the "Legislation Law"

and the principles and procedures in Orders No. 694 and No. 695 of the State Council, and to take effective measures to ensure that the relevant provisions of the "Administrative Regulations on Customs Legislation Work" will be fully implemented.

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 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

China has relatively complete relevant laws and regulations at the national level.

In Article 10 of the "Foreign Investment Law of the People's Republic of China", it is stipulated that normative and judgment documents related to foreign investment shall, according to law, be made public in a timely manner.

It is stipulated in Article 11 that the State establishes and improves a system serving foreign investment to provide consultation and services to foreign investors and foreign-funded enterprises on laws and regulations, policy measures, and investment project information.

The "Ordinance concerning the Procedures for the Formulation of Administrative Regulations" and the "Ordinance on Procedures for Making Regulations" stipulate that administrative regulations and rules shall be implemented 30 days after the date of promulgation, and provide for exceptions.

In April 2019, Order No. 711 of the State Council promulgated the revised "Regulations of the People's Republic of China on Disclosure of Government Information". It is stipulated in Article 5 that an administrative agency shall disclose to the public the government information in adherence to routine public disclosure and exceptional withholding, by the principles of fairness, equity, lawfulness, and public facilitation.

It is stipulated in Article 26 that government information that falls within the scope of active disclosure shall be disclosed in a timely manner within 20 working days from the date of formation or change of the government information. (See link 2.12)

In Article 7 of the "Regulation for Implementing the Foreign Investment Law of the People's Republic of China", it is stipulated that normative documents relating to foreign investment shall be published in a timely manner in accordance with the law, and those unpublished shall not serve as the basis for public administration. For normative documents closely related to the production and distribution activities of foreign-funded enterprises, the time between their issuance and implementation shall be rationally determined according to the actual circumstances.

It is stipulated in Article 9 that governments and their appropriate departments shall, in a centralized manner, publish the laws, regulations, rules, normative documents, policies, and measures relating to foreign investment and investment project information through government websites and the national integrated online government service platform, strengthen publicity and interpretation through various channels and in

various methods, and provide advisory, guidance, and other services for foreign investors and foreign-funded enterprises.

China Customs has formulated and promulgated corresponding departmental regulations.

In February 2014, the Order No. 215 of the General Administration of Customs promulgated the "Measures of the People's Republic of China for the Disclosure of Customs Government Information". It stipulated that 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.

It is stipulated in Article 14 that 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 2.13)

From August to September 2019, the General Administration of Customs publicly solicited opinions on the "Measures of the People's Republic of China for the Disclosure of Customs Government Information (Draft for Comments)". The original Article 8 is proposed to be revised as: "Article 6 The customs shall disclose the customs government information in a timely and accurate manner. Before disclosing government information, the customs shall verify and check the government information to ensure that the disclosed government information is accurate.

Where a customs finds any false or incomplete information that affects or is likely to affect social stability or disturbs the social and economic management order, it shall issue accurate information to clarify it."

The original Article 14 is proposed to be revised as: "Article 25 Customs government information that falls within the scope of voluntary disclosure shall be disclosed in a timely manner within 20 working days from the date of formation or change of the customs government information. Where laws and regulations provide otherwise for the time limit for the disclosure of customs government information, those provisions shall prevail." (Link

2.14)

In Article 42 of the "Provisions of the People's Republic of China on the Administration of the Work of Customs Legislation", it is stipulated that except for special circumstances, customs regulations shall be implemented at least 30 days after the date of promulgation.

Implementation

In 2020, the China Customs has no new or revised regulations.

General Comment

China's customs system is in place, but there is no practical application.

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

In the dozen years from December 24, 2001 when the General Administration of Customs issued the "Interim Measures of the People's Republic of China for the Administration of the Administrative Rulings of Customs" (Order No. 92) which was implemented on January 1, 2002 to the end of August 2020, there are 11 cases of classified administrative rulings publicly released through the China Customs portal (2 in 2015, 5 in 2016, 3 in 2017, and 1 in 2018), making applications for classification

administrative rulings for a total of 22 commodities; there is one case of administrative ruling on the place of origin (1 in 2017), involving an application for administrative ruling on the place of origin. Since 2019, due to the full implementation of the advance ruling system, the customs has not issued any new administrative rulings (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 September 1, 2019 to August 31, 2020, customs around the country have issued 1784 advance ruling decisions.

Since 2016, China Customs has gradually implemented the classification and respect precedent system, and issued the Announcement No. 66 [2016] on November 24, 2016, and launched the "Classification Precedent Auxiliary Inquiry System" on a pilot basis, 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

Relevant customs rules and regulations have clearly stipulated the acceptance of customs advance ruling applications and the time limit for making rulings.

	<i>No. of the regulation</i>	<i>Term of application processing</i>	<i>Time limit to make a ruling</i>
<i>Advance ruling</i>	Order No. 236 of the General Administration of Customs	10 days	60 days
<i>Administrative ruling</i>	Order No. 92 of the General Administration of Customs	15 working days	60 days

If the customs refuses to accept the application for advance ruling, Order No. 92 and Order No. 236 of the General Administration of Customs both stipulate that the applicant must be provided with written reasons for rejection.

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:

(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.

Laws and Regulations

In Article 9 of Order No. 236 of the General Administration of Customs, it is stipulated that if the customs rules or announcements have clearly stipulated the customs matters for which the application for advance ruling is applied, or the application for the same matter has been accepted, the customs may refuse to accept the application; Article 12 of the Order No. 92 of the General Administration of Customs also has similar provisions.

Implementation

Fully implemented.

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

The advance ruling system of China Customs clearly stipulates the validity period of pre-rulings. The pre-ruling decision is valid within three years from the date of making. However, according to the administrative ruling made by the General Administration of Customs Order No. 92, unless the relevant laws and regulations change, it will remain in effect. If it becomes invalid due to changes in circumstances, the customs will announce the cancellation of the original administrative ruling.

Implementation

The advance ruling time-effective system of China Customs has been fully implemented.

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

The parties must be notified of the cancellation of the advance ruling and

the circumstances under which the advance ruling can be revoked. The Chinese Customs advance ruling system has clearly stipulated that if the application documents provided by the applicant are untrue or incomplete, or if the Customs has made an incorrect ruling, the customs can revoke the advance ruling decision.

Implementation

The cancellation system of the advance ruling has been fully implemented by China Customs.

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 advance ruling decision made by the Chinese Customs in accordance with the relevant provisions of the advance ruling is binding on the national customs and the parties to the applicant's ruling; the administrative ruling decision made by the customs pursuant to the General Administration of Customs Order No. 92 shall be announced and binding to all parties nationwide.

Implementation

The legal effect of the advance ruling has been fully implemented.

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 reconsideration system is fully implemented, but the enterprise is dissatisfied with the advance ruling or the administrative ruling. Although the customs has granted the enterprise the right to apply for reconsideration, there has not yet been a case of the enterprise submitting a reconsideration. The enterprise may not have a high awareness of this right, or the enterprise's expectation of winning the suit is not high.

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 Customs publishes administrative rulings in the form of public announcements, and publishes advance ruling on the official website. At the same time, it also makes corresponding provisions on the protection of applicants' business secrets.

Implementation

The implementation is adequate.

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.

(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.

Laws and Regulations

China Customs clearly stipulates in the rules and regulations of advance ruling that enterprises should submit an application for advance ruling to

the customs within three months before the import and export of goods. The content of the application for ruling involves the classification of goods, the price of the goods and the place of origin of the goods, and the issues of tariff reduction and tariff quotas have not been included in the scope of the ruling; subjects who have the qualifications to apply for advance ruling are not limited to import and export foreign trade agents. Manufacturers related to import and export activities can also apply for a ruling.

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); Starting from April 20, 2018, those who apply for administrative reconsideration of administrative actions made by the original entry-exit inspection and quarantine system shall apply to the customs, and the Entry-Exit Inspection and Quarantine Bureau will uniformly enforce the law in the name of the China 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. (Link 4.5)

In 2019, customs across the country accepted a total of 224 administrative reconsideration cases and handled 99 administrative response cases. The

rate of error correction in customs reconsiderations and litigation is basically the same as in previous years. The main types of cases are administrative punishment, tax disputes, information disclosure, and administrative compulsion, etc.

General Comment

The customs administrative reconsideration and administrative litigation system has been fully 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;and/or

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

In 2019, customs across the country accepted a total of 224 administrative reconsideration cases and handled 99 administrative response cases. The rate of error correction in customs reconsiderations and litigation is basically the same as in previous years. The main types of cases are administrative punishment, tax disputes, information disclosure, and administrative compulsion, etc.

General Comment

The implementation is adequate.

(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)

In Article 69 of the "Provisions of the Customs of the People's Republic of China on the Procedures for Handling Administrative Penalty Cases", it is stipulated that the administrative penalty decision letter shall specify the channel and time limit for applying for administrative reconsideration or bringing an administrative lawsuit if the party refuses to accept the decision on administrative penalty.

"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

There were 82 customs administrative litigation cases in 2017, 108 customs

administrative litigation cases in 2018, and 99 customs administrative litigation cases in 2019. The parties have a low chance of winning the administrative litigation. However, in the process of litigation, the proportion of cases where the parties settled with the customs and the litigation was canceled by the parties was relatively high. To a certain extent, this is also a form of correcting customs enforcement through judicial review.

General Comment

The regulations are clear and 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.

In addition to the above-mentioned tax disputes that require reconsideration by law, for customs administrative penalties, information disclosure, or compulsory measures and other matters, administrative reconsiderations can be filed with the customs or administrative litigation can be directly filed with the courts".

General Comment

The regulations are clear, and the implementation is relatively 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 legal system of administrative reconsideration and administrative litigation in China has explicit and mandatory constraints on the time limit for reconsideration or litigation. The reconsideration authority and the judicial authority shall not postpone the decision on reconsideration or the issuance of a judicial decision at will. In the event of special circumstances or force majeure, a suspension of proceedings will be applied in accordance with the law, and the reconsideration or judicial proceedings will be restarted once the factors for postponement have been eliminated. At the same time, the law also provides for corresponding remedies for cases that the reconsideration authority should accept and process but refuses to do it.

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

If the Customs makes an administrative penalty decision, it shall specify the illegal facts, as well as the reasons and basis for the penalty, on the penalty decision letter. If an administrative decision is made on other matters in accordance with the law, it may also provide the corresponding administrative enforcement basis.

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 the customs and its entry-exit inspection and quarantine

authorities, other border agencies 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

The implementation of the customs administrative litigation and administrative reconsideration system is in good condition, but it should also be noted that when enterprises exercise legal relief rights, they voluntarily give up due to the high cost of legal relief, or the exercise of relief rights may result in obstruction or delay of the release of imported and exported goods, or if administrative reconsideration and administrative litigation are interfered by non-legal factors that affect fair rulings, the General Administration of Customs should take effective measures to eliminate the above-mentioned obstacles to administrative reconsideration and administrative litigation initiated by importers and exporters. For example, it is clear that some customs have used increasing inspection rates, increasing the number of inspections and investigations as pressures to persuade enterprises to withdraw their reconsideration applications and litigation requests.

In addition, the degree of disclosure of the basis for making administrative decisions such as customs administrative penalties needs to be improved. For example, "Customs Administrative Penalty Range Reference Standard" and "Customs No. 2 Administrative Interpretation" are non-public law enforcement documents. In administrative reconsiderations and administrative litigation, the enterprise cannot request the reconsideration agency or judicial agency to review the legality and rationality of the aforementioned internal documents.

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. (Link 5.8)

During the COVID-19 epidemic, the China Customs and other relevant departments took the following measures:

"Notice of Wuhan City Novel Coronavirus Prevention and Control Command Center on Pneumonia Epidemic Caused by Novel Coronavirus Infection (No. 1)". (Link 5.9)

"The Immigration Bureau deploys citizen entry and exit management services during the period of COVID-19 prevention." (Link 5.10)

"Announcement No. 1[2020] of the National Health Commission of the People's Republic of China." (Link 5.11)

"Announcement on the Prevention and Control of Pneumonia Caused by Novel Coronavirus Infection." (Link 5.12)

"The Ministry of Culture and Tourism reminds Chinese tourists not to travel to countries with severe COVID-19 epidemic". (Link 5.13)

"The APEC ministers Issues 'Special Statement on Response to the COVID-19 Epidemic'." (Link 5.14)

"All people who come to Macau by plane must present the COVID-19 nucleic acid test report before boarding". (Link 5.15)

"Notice on continuing to reduce the volume of international passenger flights during the epidemic prevention and control period". (CAAC Notice No. 12 [2020]) (Link 5.16)

"CAAC Notice on Adjustments to International Passenger Flights". (Link 5.17)

Announcement of the Civil Aviation Administration of China, the Ministry of Foreign Affairs of the People's Republic of China, the National Health Commission of the People's Republic of China, the General Administration of Customs of the People's Republic of China and the National Immigration

Administration of the People's Republic of China on Diverting International Flights Bound for Beijing to Designated First Points of Entry into China (Announcement No. 2)". (Link 5.18)

"The Exit-Entry Administration of the People's Republic of China suspends processing of business endorsements for mainland residents to Hong Kong during the epidemic prevention and control period". (Link 5.19)

"Announcement of the Ministry of Foreign Affairs and the National Immigration Administration on the Temporary Suspension of Entry by Foreign Nationals Holding Valid Chinese Visas or Residence Permits".(Link 5.20)

General Administration of Customs National Health Commission Announcement No. 15 of 2020 on Prevention and Control of COVID-19 Infections. (Link 5.21)

General Administration of Customs Announcement No. 16 of 2020 on Re-launching the System of Completing Health Declaration Cards for Entry and Exit Personnel. (Link 5.22)

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 5.23)

In Article 39 of the "Regulations for the Implementation of the Law of the People's Republic of China on Import and Export Commodity Inspection", it is stipulated that the General Administration of Customs and the entry-exit inspection and quarantine authority shall have the right to consult and copy the relevant contracts, invoices, account books and other relevant materials of the parties when conducting supervision and management or investigating suspected violations of import and export commodity inspection laws and administrative regulations. The entry-exit inspection and quarantine authority may seal up or seize unqualified import and export commodities that are related to personal and property safety, health, and environmental protection items upon approval by the person in charge of the authority.

It is stipulated in Article 41 that the General Administration of Quality Supervision and the entry-exit inspection and quarantine authority shall have the right to consult and copy the relevant contracts, invoices, account books and other relevant materials of the parties when conducting supervision and management or investigating suspected violations of import and export commodity inspection laws and administrative regulations. The entry-exit inspection and quarantine authority may seal up or seize unqualified import and export commodities that are related to personal and property safety, health, and environmental protection items upon approval by the person in charge of the authority, except for goods under customs supervision." (Link 5.24)

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 5.25)

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 5.26, 5.27 and 5.28)

GACC has also interpreted the Administrative Measures of the People's Republic of China on Customs Testing (Decree of GACC No. 176). (Links 5.29)

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 5.30)

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 5.31)

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 5.32)

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 5.33, 5.34 and 5.35)

Customs has promulgated test standards and methods. (Link 5.36)

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. Various departments of the Chinese government continue to promote the streamlining and reduction of import and export related fees.
2. 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; the customs institutional fees and the operating service charges of subordinate institutions and social groups have been further cleaned up and standardized. The relevant requirements of this provision have been relatively adequately implemented by China Customs.

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.

Laws and Regulations

In September 2017, the Order No. 7 of the National Development and Reform Commission promulgated the "Rules for the Pricing Activities of Governments", which came into force on January 1, 2018. It is stipulated in Article 21 that the pricing authority shall make a decision to set the price in a timely manner. The price-setting decision shall specify the following

content: (i) The items and prices for the price setting; (ii) The basis for setting the price; (iii) The implementation time and scope of the price; (iv) The name of the pricing authority that made the decision and the date of the decision.

It is stipulated in Article 29 that except for state secrets, the pricing authority shall promptly disclose to the public its decision to set prices. (Link 6.1)

In July 2018, the "Notice of the 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 6.2)

In October 2018, the "Notice of the General Office of the State Council of Focusing on Enterprises' Concerns and Further Promoting Implementation of Business Environment Optimization Policies" (Notice of General Office of the State Council No. 104 [2018]) requires that all regions conscientiously implement the State Council's decision to reduce compliance costs in the import and export of containers, and promptly formulate and publish a list of port charges. (Link 6.3)

In October 2018, the Ministry of Finance, the General Administration of Customs, the National Development and Reform Commission, the Ministry of Transport, the Ministry of Commerce, and the State Administration for Market Regulation issued the "Work Plan for Cleaning up Port Charges" (No. 122 [2018] of the Ministry of Finance) requires that by the end of October 2018, all localities shall publish a list of port charges in their region on the port site and on the website of the port management department. No charges outside the list are allowed. The contents of the list should include the charging subjects, charging items, charging standards, etc. (Link 6.4)

Implementation

In December 2019, the Announcement No. 10 [2019] of the National Development and Reform Commission promulgated the "Government Pricing List of Operating Service Charges", which published the list of

operating service charges set by the central and local governments. Among them, the centrally-priced operating service charges related to import and export are only classified as service charges for coastal ports, main ports on the Yangtze River and all other ports open to the outside world. The list specifies the charging standards, charging documents (document number), pricing departments, industry authorities and pricing methods (methods). (Link 6.5)

The above-mentioned charges are collected in accordance with the "Measures for Calculation and Collection of Port Charges" (No. 2 [2019] of the Ministry of Transport) revised by the Ministry of Transport and the National Development and Reform Commission in March 2019, which stipulates that starting from April 1, 2019, some charging standards priced by the government shall be reduced, charging items shall be consolidated, and charging behavior shall be regulated. (Link 6.6)

The China Customs announces policies on the cancellation and suspension of administrative fees on the portal website, and publicizes the operating service charges of public institutions and social organizations under the customs in a centralized manner. (Links 6.7, 6.8)

The websites of local port management departments have published a list of port charges in their respective regions. (Link 6.9)

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.

Laws and Regulations

In Article 21 of the "Rules for the Pricing Activities of Governments", it is stipulated that the government's price-setting decision shall specify the execution time and scope of the price.

Implementation

The import and export-related service charges of coastal ports, major ports

on the Yangtze River trunk line, and all other ports open to the outside world were revised on March 13, 2019 in accordance with the "Measures for Calculation and Collection of Port Charges", and were released on March 18 and implemented on April 1.

General Comment

The implementation is adequate.

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

Laws and Regulations

In Article 23 of the "Rules for the Pricing Activities of Governments", it is stipulated that after the price-setting decision is implemented, the pricing authority shall conduct follow-up investigation and monitoring of the implementation of the decision, and conduct post-implementation evaluation in a timely manner.

It is stipulated in Article 24 that after the price setting decision is implemented, if the basis for setting the price changes significantly, the pricing authority shall adjust the price in a timely manner.

In May 2019, the National Development and Reform Commission issued the "Notice of the National Development and Reform Commission on Further Cleaning up and Regulating Government Pricing and Service Charges" (No. 798 [2019] of the National Development and Reform Commission), which required the reduction of the scope of government pricing and the level of pricing items, and standardization of pricing entities and the method for formulating charging standards, and the regular follow-up investigation, monitoring and evaluation of policy implementation through self-evaluation and third-party evaluation. (Link 6.10)

Implementation

Since 2008, the Ministry of Finance, the National Development and Reform Commission, and the Customs have successively canceled or suspended all

administrative charges collected by the Customs that involve import and export. The China Customs has canceled administrative charges.

The "Measures for Calculation and Collection of Port Charges" makes specific provisions on reducing certain government pricing and charging standards, consolidating charging items, and standardizing charging behaviors, and requires strengthening supervision, urges port operators and related units to conduct self-examination and self-correction, and provides smooth reporting channels by publishing reporting telephone numbers, deals with reported problems in a timely manner, and encourages them to call 12328 for consultation and complaints related issues. The "Measures" is valid for 5 years. The Ministry of Transport and the National Development and Reform Commission will improve relevant policies in a timely manner in accordance with policy implementation and market changes.

In response to the impact of the COVID-19 epidemic, the Executive Committee of the State Council decided on March 3, 2020 to waive import and export cargo port construction fees from March 1 to June 30, and reduce government priced charges such as cargo port charges and port facility security fees by 20%. On March 13, the Ministry of Finance and the Ministry of Transport jointly issued the "Announcement on the Reduction and Exemption of Port Construction Fees and the Compensation Fund for Oil Pollution Damage from Ships" (No. 14 [2020]), which stipulates that from 0:00 on March 1, 2020 to 24:00 on June 30, 2020, port construction fees for goods exported abroad and for goods imported from abroad will be exempted. On March 6, the Ministry of Transport and the National Development and Reform Commission jointly issued the "Notice on Matters Concerning the Temporary Reduction of Port Charges", which stipulates that from March 1 to June 30, 2020, the two government-priced port operating service charges of cargo port charges and port facility security charges will be reduced by 20%; and the mandatory emergency response services and fees for non-tanker cargo vessels will be canceled. Local governments are encouraged to increase fee discounts during the epidemic prevention and control period based on the local conditions. Port operators must strictly implement the government's pricing management

regulations, and adjust the publicly announced charging items and standards in a timely manner in accordance with this notice. In addition, in order to help companies cope with the impact of the epidemic, the General Administration of Customs issued the "Announcement on Temporary Exemption of Interest on Deferred Taxes for Domestically Sold Processing Trade Goods" (No. 55 [2020]), which stipulates that from April 15, 2020 to December 31, 2020 (subject to the enterprise's domestic sales declaration time), the interest on deferred taxes for domestically sold processing trade goods will be temporarily exempted. (Links 6.11, 6.12, 6.13)

On June 4, 2020, the Ministry of Finance and the Ministry of Transport once again jointly issued the "Announcement No. 30 of 2020 on Extending the Implementation Period of the Announcement on Reduction and Exemption of Port Construction Fees and the Compensation Fund for Oil Pollution Damage from Ships", which stipulates in the Joint Announcement No. 14 of 2020 that the implementation period of the "Announcement on Reduction and Exemption of Port Construction Fees and the Compensation Fund for Oil Pollution Damage from Ships" will be extended to 24:00 on December 31, 2020. On June 28, the Ministry of Transport and the National Development and Reform Commission once again jointly issued the "Notice on Matters Concerning Continuing the Temporary Reduction of Port Charges" (No. 67 [2020] of the Ministry of Transport), extending the temporary reduction period of port charges to December 31, 2020. (Links 6.14, 6.15)

On July 29, 2020, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Transport, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the General Administration of Customs, and the State Administration for Market Regulation jointly issued the "Notice on Printing and Distributing the Action Plan for Cleaning up and Regulating Maritime Port Charges" (No. 1235 [2020] of the National Development and Reform Commission). It requires that by 2022, a scientific, standardized and transparent fee collection mechanism will be basically established, port service efficiency will be further improved, business environment will be significantly

improved, and import and export compliance costs will be significantly reduced. It requires further reduction and consolidation of port charges and studies to incorporate port facility security charges into port operation leasing fees. Targeted reduction of the pilotage fee standards of coastal ports, and further expansion of the scope of ships for which the shipowners independently decide whether to use tugboats. Conduct of studies on promoting reform of cargo port charges. Revision of the "Measures for Calculation and Collection of Port Charges" according to changes in the situation. The studies clarify the relevant policies after the end of the port construction charge collection period in 2020. (Link 6.16)

General Comment

The laws and regulations do not clearly stipulate a system for periodically reviewing the number and types of charges, but various departments have repeatedly taken effective measures to cancel, suspend or reduce import and export-related charges. The implementation is relatively 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, and administrative charges have been canceled.

Among the nine operating service charges publicized by public institutions and social organizations under the China Customs, eight use market-

adjusted prices as the charging standard, and one uses government-managed prices and market-adjusted prices as the charging standards.

General Comment

The implementation is adequate.

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 6.17)

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

The China Customs has formulated internal standards for the implementation of administrative penalties (such as the "Customs Administrative Penalty Range Reference Standard"), which recommends that the standards be appropriately publicized to the public to increase the transparency of law enforcement.

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 regulations are clear and 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

The "Regulation of the People's Republic of China on the Implementation of Customs Administrative Punishment" clearly stipulate the punishment procedures.

In October 2019, the General Administration of Customs issued the "Announcement No. 162 [2019] on Matters Concerning Rapid Handling of Simple Cases", which has been implemented on December 1, 2019. The announcement clarifies the scope of simple cases to which the rapid handling procedures apply and the customs procedures for handling cases. (Link 6.18)

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

In June 2016, State Council issued the "Decision of the State Council on Amending the Regulation of the People's Republic of China on Customs Inspection" (Order No. 670), which has come into force on October 1, 2016. It is stipulated in Article 26 that enterprises and units directly related to import and export goods who take the initiative to report to the customs their violations of customs supervision regulations and accept the customs' punishment shall be given a lighter or mitigated administrative punishment. (Link 6.19)

In September 2016, the General Administration of Customs issued the "Measures for the Implementation of the Regulation of the People's Republic of China on Customs Inspection" (Order No. 230). In Chapter 4, the system of active disclosure is provided. (Link 6.20)

In November 2018, the General Administration of Customs issued the "Announcement on Issues concerning the Implementation of the Measures of the Customs of the People's Republic of China for the Administration of Enterprise Credit and the Relevant Supporting Rules" (No. 178 [2018]), which stipulates that the behavior of enterprises actively disclosing and being given a warning or a fine of less than 500,000 yuan by the customs shall not be regarded as a record of the credit status of the enterprise recognized by the customs. (Link 6.21)

In October 2019, the General Administration of Customs issued the "Announcement on Matters Concerning Voluntary Disclosure of Duty-Related Violations of Regulations" (No. 161 [2019]), which clarifies the circumstances and procedural requirements under which the customs does

not impose administrative penalties on import and export enterprises and units who actively disclose tax-related violations. (Link 6.22)

General Comment

The Customs has established an active disclosure system and clearly announced the non-punishable circumstances for active disclosure of tax-related violations, but it has not yet achieved significant results.

Recommendations

1. Improve and implement relevant specific systems for active disclosure as soon as possible to enhance the parties' predictability of the consequences of active disclosure.
2. Promptly publish active disclosure data, cases, etc., to promote the parties to actively disclose.

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

Implementation

The "Regulation of the People's Republic of China on the Implementation of Customs Administrative Punishment" also apply to transit goods.

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)

In April 2019, the General Administration of Customs put forward suggestions for improving the advance declaration system in the 2020 Framework Plan for Customs Comprehensive Deepening Business Reform: to strengthen coordination with relevant port departments and operating units, and to promote the shipside delivery of imported goods, improve the management of the advance declaration of exports, and realize arrival shipment of exports at eligible ports.

From January 1, 2020, the "two-step declaration" model has been fully

promoted throughout China, which creates further conditions for the advance declaration of imported goods; the first-step declaration requires only the declaration of the summary information of the 9+2+N items, which allows the importer to make an advance summary declaration without obtaining sufficient declaration information.

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. In case of advance declaration of modifying the relevant information of the customs declaration form, no customs declaration errors will be recorded, so as to get rid of the worries of the enterprises. However, in the actual implementation by local customs, the rate of advance declarations of imports and exports has become one of the customs KPI assessment indicators. In order to increase the rate of advance declarations, some local customs refuse the declarations made by enterprises that fail to make advance declarations due to objective reasons and forbid local declarations and even require the enterprises to ship the goods back to the exporters. These measures increase the cost of enterprises and go against the original intention of implementing the "advance declaration" policy. "Advance declaration" should be an option of the enterprises' independent choice based on their own and cargo conditions, and should not become a mandatory option imposed by the customs on the enterprises in order to complete its assessment indicators. In this regard, it is suggested that the General Administration of Customs give clear instructions to prevent local customs from actually increasing the cost of import and export enterprises and making complicated customs clearance procedures in order to unilaterally increase the advance declaration rate. 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.

Regarding shipside delivery of imports and arrival shipment of exports, local customs have repeatedly reported them since March 2020 (Link 7.15-7.19). The WeChat public account "Pingshuo Guanshi" has also investigated them in detail. (Link 7.20)

Recommendations

1. The rate of advance declaration of imports and exports cannot be simply used as a performance indicator for customs KPI assessment. The effect of the advance declaration should be based on the actual customs clearance experience of the majority of import and export enterprises as the most important criterion.
2. Shipment delivery of imports and arrival shipment of exports are highly idealized operation modes, which are difficult to implement on a large scale and are not suitable for comprehensive promotion; compared to shipment delivery and arrival shipment, a more practical optimization measure is to separately handle the goods requiring inspection and those requiring no inspection at import and export ports .

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 7.21)

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 7.22)

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 7.23)

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 7.24)

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 7.25)

On December 10, 2018, GACC issued Announcement No. 193 of 2018 on the Full Implementation of Paperless Customs Transfer Operations. (Link 7.26)

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 7.27)

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 7.28)

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 7.29)

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 7.30)

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 7.31).

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 7.32)

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 7.33)

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 7.34)

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 7.35)

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 7.36)

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 7.37)

On January 17, 2020, the General Administration of Customs issued the Announcement No. 10 of 2020 on Matters Concerning the Electronicization of Delayed Declaration Payment Bills. From that day onwards, the Customs will use the Central Uniform Non-tax Revenue Bill, which is printed by the consignee of imported goods through the international trade "single window" standard version, "Internet + customs" when collecting the fee for delayed declaration of imported goods from the consignees of imported goods. (Link 7.38)

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 7.39 and 7.40)

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 7.32)

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 7.36)

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. (Link 7.34)

The General Administration of Customs has decided to comprehensively

promote the "two-step declaration" mode for imported goods. All domestic consignees and consignors in the general credit rating category or above can carry out the "two-step declaration" for goods actually entering the People's Republic of China. (Link 7.42)

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 7.43)

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 7.44)

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 7.45)

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 7.46)

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 7.47).

In February 2019, Beijing Customs issued Announcement No. 5, trying to exempt 23 enterprises accredited as high-level AEOs from guarantees. The scope of the guarantee exemption business includes: temporary inbound and outbound goods, inbound repair goods, and pending tax reduction or exemption. (Link 7.48)

In February 2020, Beijing Customs issued Announcement No. 7 to continue the pilot application for exemption of guarantee for 70 enterprises accredited as high-level AEOs. The scope of business subject to the pilot application for the exemption of guarantee includes: temporary entry and exit goods, entry goods for repair, goods pending for tax reduction and exemption, leased imported goods, and guarantee of differential tax on goods priced by import formula. (Link 7.49)

In January 2020, Guangzhou Customs issued the Announcement No. 3 of 2020 on the Exemption of Enterprises Accredited as High-level AEOs from Guarantees in the "Two-step Declaration" Mode. After the applications made by production-type enterprises accredited as high-level AEOs in the customs area to the customs are approved, they will be exempted from guarantees in the "two-step declaration" mode. (Link 7.50)

In February 2020, Shenzhen Customs issued 20 Measures to Help Enterprises Prevent and Control the Epidemic and Resume Work and Production, expanding the scope of application for exemption of

guarantees for production-type enterprises accredited as high-level AEOs in the customs area to tax guarantee in the “two-step declaration” mode, verification of declaration forms and documents, guarantee of tax collection elements and other customs clearance processes. After the applications made by production-type enterprises accredited as high-level AEOs in the customs area to the customs are approved, they will be exempted from tax guarantees. (Link 7.51) In June 2020, Shenzhen Customs issued a notice stabilizing the above policy and implementing it for a long time. (Link 7.52) It can be seen that local customs are still carrying out pilot programs for the policy on exempting enterprises accredited as high-level AEOs from guarantees.

General Comment

Preliminary implementation and gradual improvement.

Recommendations

1. 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.

2. It is hoped that the General Administration of Customs will evaluate the pilot programs of exempting enterprises accredited as high-level AEOs from guarantees, optimize, improve and issue relevant policies and operating guidelines for exempting enterprises accredited as high-level AEOs from guarantees as soon as possible, so that this policy will benefit more compliance and law-abiding enterprises accredited as high-level AEOs from guarantees as soon as possible.

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

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 7.53)

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 7.54) 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 7.55, 7.56, 7.57 and 7.58)

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 7.59)

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:

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 7.60)

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 7.61)

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 7.62)

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 7.63)

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 7.64)

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.

In April 2019, the General Administration of Customs proposed the establishment of a "collaborative and optimized risk management system" in the 2020 Framework Plan for Customs Comprehensive Deepening Business Reform, which specifically refers to the fact that the customs controls the coverage of risk prevention and control through random inspections and accurately deploys and controls and locks risk targets, build a unified risk prevention and control mechanism based on collaborative and complementary random spot checks and precise deployment and control, quickly and accurately identify risk targets based on the special needs of countries, routes, ports and relevant policies according to the scientific sampling and expert research and judgment.

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 7.65)

But the data is no longer available on the official website of the General Administration of Customs.

Since 2019, the General Administration of Customs has introduced the concept of "Efficient Disposal" in the "Double Randoms, One Disclosure" statistical table for general supervision of imported and exported goods (tax-related review) on its official website. This indicator should be related to the risk management capabilities of the customs. The average "disposal effectiveness rate" in 2019 is 1.02%, and the average "disposal effectiveness rate" from January to July 2020 is 0.56%. The General Administration of Customs has made no explanation for whether the reduced "disposal effectiveness rate" means a decline in customs risk management capabilities. (Link 7.66)

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 7.67)

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

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 7.68)

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 7.69)

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 7.70)

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 7.71)

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 7.72)

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 7.73)

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 7.74)

In 2018 and 2019, China Customs released data on the overall customs clearance time: In December 2018, the overall customs clearance time for China's imports and exports was 56.36% and 61.19% lower than the average in 2017, respectively. In December 2019, the overall customs clearance time for imports across China was 36.7 hours, a reduction of 62.3% compared with 2017; the overall customs clearance time for exports was 2.6 hours, a reduction of 78.6% compared with 2017, and the relevant requirements of the State Council were completed two years ahead of schedule. In June 2020, the overall customs clearance time for imports and exports nationwide was 39.7 hours and 2.3 hours respectively. (Links 7.75, 7.76, 7.77)

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 7.78, 7.79, 7.80 and 7.81)

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 7.82)

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 7.83)

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 7.84)

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 7.85)

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 7.86)

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 7.87)

In November 2018, GACC issued the revised Measures for Administration of Inspection and Quarantine of Entry-Exit Expedited Shipments. (Link 7.88)

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 7.89)

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 7.90)

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 7.91)

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 7.92)

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 7.93)

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 7.94)

In the 2020 Framework Plan for Customs Comprehensive Deepening Business Reform proposed by the General Administration of Customs in 2019, the implementation method of "two-stage access" is introduced, and the concept of "classified pick-up" is proposed. Fresh and alive, perishable goods and goods that easily rot are subject to "conditional pick-up" and are approved for sales or use, but must be recalled in a timely manner once

problems are found. (Link 7.95)

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 7.96) 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.

After new confirmed COVID-19 cases were found in Beijing Xinfadi Agricultural Produce Wholesale Market in June 2020, the local customs nationwide increased the inspection of imported cold chain foods. The average clearance time of goods were greatly extended. Subsequently, COVID-19 was detected in the outer packaging and surface samples of imported frozen foods in many places across China. The WeChat public account "Pingshuo Guanshi" also commented on this issue entitled the Survey on Customs Clearance of Imported Frozen Products under Strict Control in the Epidemic Situation. Link 7.97)

In June 2019, Chengdu Customs carried out the pilot reform of the "two-stage access" supervision operation for imported chilled salmon. The chilled salmon sampled for inspection is subject to conditional pick-up.

After customs declaration, sampling, and inspection, it will be shipped to the dealer's cold storage, waiting for the report. After receiving the notice of the salmon passing sampling inspection, the distributor can immediately "open the warehouse and sell it". The whole process can save the enterprise 1-2 days (the whole lot of goods that sampled for inspection need to be temporarily stored in the filing supervision warehouse, can be shipped to the cold storage of the sales market only after the inspection and quarantine results are reported). (Links 7.98-7.99)

There seems a gap between this practice and the "approved for sales or use, but must be recalled in a timely manner once problems are found" proposed in the 2020 Framework Plan for Customs Comprehensive Deepening Business Reform. Moreover, the practice of Chengdu Customs has not yet been promoted to the whole country.

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. In the face of sudden epidemics that may be encountered, it is also a major issue for China Customs how to make scientific and authoritative judgments and implement scientific and reasonable management and control systems accordingly, taking into account safety, timeliness, and cost.

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.

Establish an expert consultation and emergency management system, set up an expert database, and quickly organize experts to study the epidemic situation and prevention and control measures in the event of an epidemic, and put forward policy recommendations to ensure the scientificity and effectiveness of customs policy decisions.

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. Moreover, the current inspection and quarantine documents are basically manually reviewed, and the review efficiency and law enforcement standards vary greatly. The delays in customs clearance incurred are quite common, and pose a risk to the customs clean governance.

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. At the same time, we should learn from the successful experience of electronic review of customs declaration forms, increase investment in technology development of computerized electronic review of inspection and quarantine forms and documents, further improve the efficiency of form and document review, and reduce the risk to the customs clean governance.

(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 7.100)

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

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 8.1)

On July 17, 2014, GACC and former General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (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 8.2)

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 8.3)

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 former General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (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)

On October 22, 2019, the Regulation on Optimizing the Business Environment was promulgated by Decree No. 722 of the State Council of the People's Republic of China), and has come into force since January 1, 2020. The regulations cover both domestic and foreign trade. Article 45 states that the government and its relevant departments shall, in accordance with the relevant requirements of the state for promoting the facilitation of cross-border trade, reduce the examination and approval items of import

and export links in accordance with the law, cancel unnecessary regulatory requirements, optimize and simplify the customs clearance process, improve the efficiency of customs clearance, clean up and standardize port charges, reduce the cost of customs clearance, and promote the relevant businesses of ports and international trade to be handled through China International Trade Single Window in a unified way. (Link 8.13)

On November 27, 2019, Premier Li Keqiang of the State Council presided over the executive meeting of the State Council to deploy the business environment work. He called for the promulgation of supporting measures of the regulations on optimizing the business environment, accelerated the cleaning up, modification or abolition of rules and normative documents that did not conform to the regulations, ensured the implementation of the regulations, accelerated a market-oriented, legalized international business environment, and made greater efforts to break down barriers and solve problems for various market entities encountered in their business investment and development. (Link 8.14)

Since 2020, relevant Chinese government departments have focused on combating the COVID-19 epidemic and strengthened inter-departmental coordination in stabilizing foreign trade and foreign investment. The Ministry of Transport, the Ministry of Commerce, the General Administration of Customs, the National Railway Administration, the Civil Aviation Administration of China, the State Post Bureau, and China State Railway Group Co., Ltd. issued the Notice on Currently Better Serving the Stabilization of Foreign Trade on April 20, 2020 (No. 139 [2020] of the Ministry of Transport) in which specific measures in five aspects: smoothing foreign trade transportation channels, promoting foreign trade transportation facilitation, reducing logistics costs in import and export links, creating a good external environment, and strengthening mechanism guarantees are proposed. (Link 8.15)

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;
6. Gradually implement the Regulations on Optimizing the Business Environment.

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. The outbreak of the COVID-19 epidemic in 2020 has further highlighted the necessity and importance of inter-departmental collaboration, and has also exposed some shortcomings to a certain extent. Relevant departments have been actively taking measures to coordinate and solve problems.

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.

Strengthen the coordination and cooperation between transportation, banking, agriculture, health, science and technology departments and customs, further improve China International Trade Single Window, expand functional coverage, and improve operational efficiency.

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:

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

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 8.16)

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 8.17)

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 8.18)

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 8.19)

On April 20, 2020, the Ministry of Transport, the Ministry of Commerce, the General Administration of Customs, the National Railway Administration, the Civil Aviation Administration of China, the State Post Bureau, and China National Railway Group Co., Ltd. issued the Notice on Currently Better Serving the Stabilization of Foreign Trade in which it is clearly proposed, focusing on transportation, ensure the smooth flow of international road freight, improve the facilitation level of international road transportation, jointly maintain the normal international transportation order, and ensure the normal operation of the international logistics supply chain. It also specifically requests to accelerate the construction of the international road transport management and service information system, promote the full dynamic supervision of international road transport vehicles, and provide strong support for the global opening of the international road transport market; profoundly carry out the policy analysis and evaluation of joining the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR) and the docking of regulations and standards, and accelerate integration with the international transportation facilitation convention; formulate a work plan for the Trans-Caspian International Transport Route, and expedite the development of new space for the radiation of international transport networks.

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, TIR Convention and European Agreement Concerning the International Carriage of Dangerous Goods by Road with bordering countries.

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) amended it. (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)

Announcement No. 216 [2019] of the General Administration of Customs — Announcement on Comprehensively Promoting the Reform for "Two-step Declaration". (Link 9.14)

Announcement No. 218 [2019] of the General Administration of Customs — Announcement on Streamlining and Regulating Operating Procedures to Facilitate Processing Trade. (Link 9.15)

Announcement No. 196 [2018] of the General Administration of Customs — Announcement on the Promotion of "Independent Tax Return Filing and Payment" for Domestic Sales of Processing Trade Materials and Parts. (Link 9.16)

Announcement No. 203 [2018] of the General Administration of Customs

— Announcement on Relevant Issues concerning the Supervision of Bonded Maintenance Services. (Link 9.17)

Announcement No. 218 [2018] of the General Administration of Customs

— Announcement on Comprehensively Promoting the Online Public Auction Co-management Mechanism for the Domestic Sale of Leftover Materials and Waste Generated in Processing Trade. (Link 9.18)

Announcement No. 26 [2019] of the General Administration of Customs —

Announcement on Matters Concerning the Implementation of Regulatory Innovation Measures of "Four Self-services and One Simplification" in Comprehensive Bonded Zones. (Link 9.19)

Announcement No. 27 [2019] of the General Administration of Customs —

Announcement on Supporting the Comprehensive Bonded Zones in Bonded Research and Development Businesses. (Link 9.20)

Announcement No. 28 [2019] of the General Administration of Customs —

Announcement on Supporting Enterprises in the Comprehensive Bonded Zones in Undertaking Outsourced Processing Businesses from Domestic Enterprises (Outside the Zones) (Link 9.21)

Announcement No. 29 [2019] of the General Administration of Customs —

Announcement on Matters Concerning the Inspection and Release of Foods Entering Comprehensive Bonded Zones from Overseas. (Link 9.22)

Announcement No. 36 [2019] of the General Administration of Customs —

Announcement on Matters Concerning the Implementation of "Entry before Inspection" for Animal and Plant Products Entering Comprehensive Bonded Zones from Overseas. (Link 9.23)

Announcement No. 50 [2019] of the General Administration of Customs —

Announcement on Simplifying the Administration of the Entry into and Exit from Comprehensive Bonded Zones. (Link 9.24)

Announcement No. 67 [2019] of the General Administration of Customs

and the Ministry of Culture and Tourism — Announcement on Simplifying the Approval and Supervision Formalities for Artworks in Comprehensive Bonded Zones. (Link 9.25)

Announcement No. 158 [2019] of the General Administration of Customs

— Announcement on Conducting the Leasing of Bonded Goods and

Providing Bonded Futures Delivery Services within Comprehensive Bonded Zones. (Link 9.26)

Announcement No. 21 [2020] of the General Administration of Customs — Announcement on Temporarily Extending the Write-off Period of Processing Trade Manuals (Account Books) and Matters Concerning the Registration and Recordation Thereof. (Link 9.27)

Announcement No. 55 [2020] of the General Administration of Customs — Announcement on Temporary Exemption of Interest on Deferred Taxes for Domestically Sold Processing Trade Goods. (Link 9.28)

Announcement No. 78 [2020] of the General Administration of Customs — Announcement on Adjusting the Time Limit for Tax Declaration of Domestic Sales in the Processing Trade. (Link 9.29)

Announcement No. 91 [2020] of the General Administration of Customs — Announcement on Further Advancing the Paperless Supervision of Entry and Exit of Conveyances. (Link 9.30)

Announcement No. 210 [2019] of the General Administration of Customs — Announcement on Simplifying the Extension of the Validity Period of Bonded Logistics Centers (Type B). (Link 9.31)

Announcement No. 44 [2020] of the General Administration of Customs — Announcement on Issues Concerning the Comprehensive Promotion of the Measures for the Supervision of the Return of Cross-border E-commerce Exports. (Link 9.32)

Announcement No. 45 [2020] of the General Administration of Customs of the People's Republic of China — Announcement on Issues Concerning the Supervision of the Return of Cross-border E-commerce Retail Imports. (Link 9.33)

Announcement No. 75 [2020] of the General Administration of Customs — Announcement on Launching the Pilot Program of Supervision over Business-to-Business Export in Cross-border E-commerce. (Link 9.34)

Announcement No. 92 [2020] of the General Administration of Customs — Announcement on Expanding the Scope of the Pilot Program of Supervision over Business-to-Business Export in Cross-border E-commerce. (Link 9.35)

Announcement No. 7 [2015] of the General Administration of Customs — Announcement on Revising the Interim Measures for the Supervision and

Administration of Duty-free Shopping by Travelers Leaving Hainan Island.
(Link 9.36)

Announcement No. 73 [2020] of the General Administration of Customs
— Announcement on Issuing the Measures of the Customs of the People's
Republic of China for the Supervision of the Yangpu Free Trade Port Zone.
(Link 9.37)

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.

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, the General Administration of Customs has vigorously promoted the optimization of the port business environment. The original 86 types of regulatory documents have been streamlined to 44. In June 2020, the overall customs clearance time for China's imports and exports

has been reduced by 59.3% and 81.5% compared with 2017. The cost of customs clearance has been significantly reduced, and the performance of cross-border trade indicators has improved significantly.

In the next step, the General Administration of Customs will continue to vigorously promote "advance declaration", optimize the "two-step declaration" customs clearance model for imports, and improve the "two-stage access". Continue to reduce the overall customs clearance time for goods, minimize the impact of the COVID-19 epidemic on the overall customs clearance time, and study and promote the pilot projects of "shipside delivery" of import goods and "shipment upon port arrival" of export goods. Continue to reduce and simplify the accompanying documents that need to be provided or submitted by enterprises for customs clearance, and implement enterprises' independent choice whether to accompany the inspection to reduce the burden on the enterprise. Promote tariff guarantee insurance, independent tax return filing and payment, collective taxation and electronic payment. Optimize the reform of the bulk commodity inspection model and lower the applicable threshold. The system summarizes and evaluates the implementation effects of the AEO system, further optimizes and improves convenience measures, increases the policy content, increases the number of certified enterprises, and enables more enterprises to enjoy more convenience in customs clearance.(Link 10.4)

General Comment

Facing the impact of the epidemic on foreign trade, various active measures have been taken and implemented relatively adequately.

Recommendations

Further strengthen the in-depth integration of customs inspections internally to realize the transition from "physical reaction" to "chemical reaction"; accelerate the realization of information exchange, mutual recognition of supervision and mutual assistance in law enforcement among various departments externally, forming a management system and mechanism that is both in line with China's national conditions and has international

competitiveness.

(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, the General Administration of Customs has vigorously promoted the optimization of the port business environment, greatly simplified regulatory documents, significantly shortened the overall customs clearance time for imports and exports, and significantly reduced customs clearance costs.

Measures include:

Reducing the supervision documents for import and export inspection;

Vigorously implementing "advance declaration" for import and export goods;

Improve the "two-step declaration";

Study and promote the pilot projects of "shipside delivery" of import goods and "shipment upon port arrival" of export goods;

Improve the "two-stage access";

Promote tariff guarantee insurance, independent tax return filing and payment, collective taxation and electronic payment;

Further advancing the paperless supervision of entry and exit of conveyances;

Continue to reduce and streamline the accompanying documents that need to be provided or submitted by enterprises in customs clearance.

General Comment

Gradually improve the efficiency of customs clearance through the internal optimization and integration of the customs departments, the reengineering of business processes, the simplification of documents and procedures, and the strengthening of contacts and cooperation with other ministries.

(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:

Promote the establishment of a national port charge supervision and management coordination mechanism, implement an import and export link charge publicity system, uniformly publish a list of charge items and charge standards, clearly mark prices, and work with relevant departments to further promote regulation and reduce the compliance cost of the entire import and export link, and reduce the charges for port, terminal, airport, station operations, inspection and quarantine, etc., and urge all localities to earnestly implement the "one-stop sunny price" of port charges, and enhance the transparency of charges, 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. 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 its supervision practice, China Customs accepts paper or electronic copies. At present, the degree of paperlessness and networking is getting higher and higher. In 2020, it will further advance the paperless supervision of entry and exit of conveyances. At the same time, it will continue to reduce and simplify the accompanying documents that need to be provided or submitted by the enterprise in the customs clearance process. (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

The implementation is adequate. (Link 10.8, 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 August 2020, 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. (Link 10.10 and 10.11)

General Comment

The single window construction and a standard version has been determined and established at the national level. Some key port cities have a positive attitude towards the implementation of the single window and fast implementation thereof. At present, various documents are basically declared through the single window.

Recommendations

1. Give full play to the role of the State Council's port work inter-ministerial joint meeting mechanism, further streamline the import and export link supervision certificates and accompanying documents, promote the extension of customs clearance facilitation measures from sea ports to air and land ports, and continuously improve the level of trade and customs clearance facilitation.
2. Except for special circumstances such as confidentiality, it is recommended that all regulatory documents involved in the import and export process should be accepted through a "single window" in principle, and shall be handled and supervised by relevant departments separately in the background to promote the realization of online payment and independent printing of documents.
3. Expanding the use of new communication technologies such as micro-messaging and voice communication, and minimizing the submission of

paper documents by windows.

4. Carry out interconnection with overseas "single window" facilities, continue to promote docking with civil aviation, ports, railways, highways and other industry institutions, and provide enterprises with a full "one-stop" customs clearance logistics information service.

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 is implementing uniform procedures and customs clearance document throughout the country. In 2020, it will mainly implement the "2020 Framework Plan for Comprehensively Deepening Customs Business Reform".

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.

In 2020, the General Administration of Customs plans to improve the management model of outbound processing and overseas project contracting, encourage qualified enterprises to "go global", and support Chinese enterprises to participate deeply in global resource integration and market allocation. (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, 11.7 and 11.8)

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 11.9 and 11.10)

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 11.11, 11.12 and 11.13)

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 11.14)

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." (Link 11.15)

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 11.16, 11.17, 11.18, 11.19, 11.20 and 11.21) 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

Comments on the AEO System of China Customs

Hu Zhong, Xiong Bin

Overview of the AEO System of China Customs

I. Continually improve the construction of the AEO system

In 2019, in accordance with the latest developments in the construction of the national social credit system and the requirements of international cooperation, China Customs released the Guidelines for the Standards for Customs Certification Enterprises on November 1 on the bases of stably implementing the Measures for the Credit Management of Customs Enterprises of the People's Republic of China and combined with the characteristics of industry classification and the needs of enterprise certification management to further increase the transparency of the customs certification procedures and strengthen the implementation and facilitate the reference implementation of the majority of the import and export enterprises in the certification preparation work; released Announcement No. 229 of 2019 on December 31 to announce the single AEO certification standards for cross-border e-commerce platform enterprises and entry and exit express operators which has been officially implemented since March 1, 2020. The release and implementation of this announcement means China's AEO enterprise certification standard system has developed from the "1+3" mode into the "1+5" mode, making the certification standards more scientific and objective, and in line with the actual situation of business management. At the same time, China Customs has further improved the operation of the China Customs Credit Management WeChat Platform, and released customs corporate credit management-related policies, information, and questionnaires in a timely manner, enriching the channels and forms of communication and interaction with enterprises.

II. Carry out multi-level and multi-form corporate AEO certification cultivation and further strengthen corporate AEO certification publicity

China Customs has carried out extensive multi-level corporate credit management policy training and presentations. In November 2019, the General Administration of Customs held three consecutive Customs Import and Export Enterprise Credit Management Training

Courses in Suzhou, Tianjin, and Qingdao, covering nearly 2,000 trainees; all directly affiliated customs offices and affiliated customs offices also carried out extensive policy presentations, and institutionalize and standardize the cultivation work before certification. China Customs also provides planned and step-by-step guidance and precise support for enterprises in various forms. For example, the General Administration of Customs coordinated the national enterprise management business experts, forming a "customs enterprise coordinator expert team" of more than 160 experts to answer questions online and coordinate management business offline for enterprises; Tianjin Customs conducted credit cultivation for enterprises related to the "Belt and Road"; Shenzhen Customs built a training base for advanced AEO certification reviewers and an incubation training base for enterprises applying for advanced certification; Dalian Customs provided "secretary-style" services to more than 1,000 foreign-funded foreign trade companies in the jurisdiction through the "Hundreds of Officials to Support Thousands of Enterprises Program" counterpart assistance work, and solved 463 items of various difficulties and questions raised by enterprises; Gongbei Customs conducted "fingertip" surveys on the resumption of work and production of more than 360 enterprises through online channels such as www.wjx.cn; Shanghai Customs launched 24-hour online Q&A, focusing on answering questions raised by 406 advanced certification enterprises; Ningbo Customs produced AEO special videos for enterprises. In short, from coordinated services, to credit training, to the implementation of differentiated measures, the customs has made every effort to help enterprises fully understand the customs' credit management concepts and standard requirements.

III. Strengthen the work of helping companies resume work and production during the epidemic prevention and control period

During the epidemic prevention and control period in 2020, customs credit cultivation was piloted and upgraded in an all-round way. Online and offline linkages were used to smooth communication channels between customs and enterprises, strengthen corporate credit cultivation, promote corporate integrity and self-discipline, guide enterprises to grasp the latest customs policies and improve internal standardized management and improve corporate credit ratings. The various regulatory policies and measures issued by the customs during the period basically includes corporate credit management measures, indicating that the customs corporate credit management has penetrated into the entire customs supervision system. During the period of epidemic prevention and control, customs across the country carried out more than 240 credit cultivations of various types, benefiting 1,574 enterprises. The national customs enterprise

management departments strive to promote the implementation of differentiated measures to truly implement the principle that "honesty and compliance with the law bring about convenience, while dishonesty and violations shall be punished."

IV. Strengthen dynamic management of corporate credit

On the basis of steadily advancing the establishment of an enterprise import and export credit system, China Customs adheres to the dynamic management of credit certification. Customs data shows that in 2019, the customs offices nationwide have upregulated the enterprise credit ratings 1,175 times and downregulated the enterprise credit ratings 7,531 times. The "upregulation and downregulation" of the corporate credit ratings means that enterprises should maintain their trustworthiness performance. China Customs implements differentiated credit supervision in a real-time manner based on the credit rating of the enterprise, providing the green light for honest and law-abiding enterprises while heavily punishing dishonest law-violating enterprises.

V. Accelerate the promotion of AEO international mutual recognition cooperation, and gradually expand the international influence and the discourse power of China Customs

From starting to establish its own AEO system in 2008 to participating in the formulation of international rules for the first time in the field of AEO mutual recognition in 2018, China Customs has grown from a follower and user of international rules for AEO mutual recognition to a participant and provider, changing from a passive follower of AEO mutual recognition work to an active leader. As of the end of 2019, China Customs had signed agreements on AEO mutual recognition arrangements with 42 countries (regions) in 15 economies, accounting for 19.2% of the total number of agreements signed between members, including 18 countries along the "Belt and Road", ranking the first in the number of countries or regions covered by mutual recognition arrangements in the world.

Focusing on countries along the "Belt and Road" and important trading countries or regions, China Customs has formulated clear plans and goals for AEO mutual recognition cooperation. At present, China Customs is undergoing consultations or preparing for consultations with more than 20 countries or regions such as Russia, Malaysia, Iran, Thailand, etc. By the end of 2022, the total value of imports and exports between China and mutually recognized countries or regions will account for more than 80% of the total value of imports and exports.

Previously multiple rounds of consultation took several years. Now the consultation can be

completed in one or two years. China is accelerating the realization of AEO international mutual recognition cooperation. The fastest China-Uruguay AEO mutual recognition takes only 6 months from contact to agreement signing.

China Customs has continuously improved and standardized AEO mutual recognition-related agreement texts, created a standard template for China Customs AEO mutual recognition, and actively advocated Chinese texts in the process of AEO mutual recognition. At the same time, China Customs pioneered a new model of a joint briefing for publicity and mutual recognition benefit evaluation after mutual recognition among the members of the World Customs Organization and the customs of relevant countries (regions), making the AEO mutual recognition and implementation process more and more standardized.

During the epidemic prevention and control period, China Customs actively carried out AEO mutual recognition benefit evaluation. Taking the Inner Harbour Customs and China-Korea Customs as examples, they adopted video conferences or questionnaire surveys to exchange data on inspection and customs clearance time between AEO companies of both sides, and implemented benefit evaluations to exchange new measures in the AEO system and further promote the implementation of AEO mutual recognition convenience measures.

At the international level, China actively fulfills its AEO mutual recognition commitments. At present, six East African countries, four South American countries, and the Eurasian Economic Union have achieved mutual recognition of regional AEOs. China Customs actively communicates with the above-mentioned regional countries to study the feasibility of China and the above-mentioned regions to carry out "one-to-many" regional AEO mutual recognition.

At the same time, China Customs leads the formulation of international rules in the field of AEO mutual recognition of the World Customs Organization, actively exports China Customs AEO mutual recognition experience and innovative measures, and strives to carry out AEO mutual recognition capacity building support and assistance. Since 2017, China Customs has shared experience in the AEO2.0 Initiative, the corporate coordinator system, cooperation with other government departments in joint incentives, the application of big data in AEO corporate credit evaluation, and the customs corporate credit management system, and promoted to WTO members the experience and practices of China Customs in implementing the AEO system at the WCO International Conference. China Customs has held several training courses for customs capacity building, providing training and conducting AEO field certification observations for customs officers from countries in Africa and Asia, or organizing experts to provide capacity building assistance to countries or regions in need. China Customs won the bid to host the 6th

World Customs Organization Global AEO Conference in 2023. The World Customs Organization Global AEO Conference is regarded as WCO's largest capacity building activity, and China's winning of the bid marks an important step for China Customs to expand its influence in the AEO work worldwide.

Suggestions for Improving the China Customs AEO System Construction

I. The AEO system needs to be further improved

China Customs pays too much attention to the Guidelines for the Standards for Customs Certification Enterprises and closely follow the development of China's foreign trade policies, but ignores the actual implementation effects of the standards. New classification standards such as the certification standards for foreign trade comprehensive service enterprises and cross-border e-commerce platform enterprise certification standards are formulated and promulgated in a timely manner in accordance with the latest requirements of the national macro foreign trade policy, but the specific details are not sufficiently understood in the preliminary investigation (for example, the Customs has not made a clear definition of foreign trade comprehensive service enterprises), and the standard requirements are too strict. As a result, there are very few enterprises that actually perform certification according to these standards. To a certain extent, they fail to achieve the purpose of the standard setting and become a formality.

II. The relevant procedures of customs certification are still to be disclosed and implemented.

As some procedures in the actual customs certification (such as relief and security) do not have specific and detailed operational guidelines, enterprises cannot protect their own legitimate rights and interests, and the relevant relief provisions only exist in name.

III. The implementation of preferential and convenient measures for AEO enterprises is less ideal.

1. In 2019, the actual average inspection rates of advanced certification enterprises and general certification enterprises are higher than those specified by the customs.

Comparison of the actual average customs inspection rates in 2019 with relevant regulations^①

	<i>Actual average inspection rate in 2019</i>	<i>Higher limit of inspection rate calculated according to the Measures for the Credit Management of Customs Enterprises of the People's Republic of China</i>
<i>Advanced certification enterprise</i>	0.57%	<0.488%
<i>General certification enterprise</i>	1.69%	<1.22%
<i>General certification enterprise</i>	2.44%	
<i>Dishonest enterprise</i>	84.76%	

2. The customer coordinator system of advanced certification enterprises has not been fully utilized. When many enterprises encounter problems in import and export activities, they do not feel the convenience of handling them as advanced certification enterprises.

3. In accordance with the Measures for the Credit Management of Customs Enterprises of the People's Republic of China, AEO enterprises can apply for exemption from guarantees or reduce the amount of guarantees. However, there are no uniform and specific operating guidelines for these management measures, and the local customs offices also lack clear operating procedures in the priority handling of the import and export cargo clearance procedures for AEO enterprises. All these problems prevent enterprises from actually enjoying policy dividends, making relevant preferential and convenient management measures only exist in name.

The inadequate implementation of preferential and facilitation measures for enterprises directly affects the sense of acquisition of AEO enterprises and affects the enthusiasm of enterprises about applying for customs AEO certification. The statistics released by the General Administration of Customs on June 2, 2020 show that:

<i>Type of enterprise</i>	<i>February 201</i>		<i>May 2020</i>	
	<i>Number of enterprises</i>	<i>Percentage</i>	<i>Number of enterprises</i>	<i>Percentage</i>
<i>Advanced certification</i>	3,047	0.27%	3,236	0.22%
<i>General certification</i>	33,829	3.05%	25,624	1.76%
<i>General credit</i>	1,068,930	96.22%	1,424,400	97.56%
<i>Dishonest enterprise</i>	5067	0.46%	6788	0.46%
<i>Total</i>	1,110,873		1,460,048	

^① Data source: Credit is money! Customs makes great efforts to promote the AEO credit system to stabilize foreign trade. http://www.xinhuanet.com/fortune/2020-06/02/c_1126065979.htm

By the end of May 2020, the total number of customs enterprises nationwide had increased by 349,185, an increase of 31.4%. However, the number of AEO enterprises (including advanced certification enterprises and general certification enterprises) had decreased from 36,876 to 28,860, a decrease of 21.7%. Except for a small increase of 189 advanced certification enterprises, the number of general certification enterprises had decreased by 8,205 against the trend. This is likely to be the result of the enterprises' voluntary abandonment due to the gap between the strict certification standards and the applicable management measures. It also confirms the prediction that "general certification may be of little value" in the 2019 Comments on the AEO System of China Customs. Another indicator worthy of attention is the proportion of customs AEO companies in all coenterprises, which dropped from 3.32% in February 2018 to 1.98% in May 2020, a decline of 40.4%.

IV. China Customs has not yet established a management mechanism for third-party professional agencies to participate in the construction of the AEO system

The construction of the AEO system involves all aspects of enterprise management. It is a continuous improvement system project in which the customs plays a leading role. However, the customs cannot take care of all issues for the entire enterprise management system. In the face of a large group of enterprises, the customs has limited supervision resources, which cannot cover all enterprises. Therefore, professional third-party agencies are an important reserve force that can make full use of its professional advantages and close-to-market service system to assist customs in better serving enterprises. The market practice in recent years has further proved the active role played by third-party professional agencies in participating in the construction of the corporate credit system. We suggest that China Customs establish a practical management mechanism (including qualification assessment, working procedures, service standards, assessment and supervision, etc.) as soon as possible to guide and regulate third-party professional agencies to better participate in the construction of the AEO system, so that they can become a powerful helper for customs supervision.

Trends and Characteristics of Smuggling Cases in China

Wang Jin

Data 1: Case registration and arrest (monthly average in 2019)

According to the news on the website of the General Administration of Customs on January 21, 2020, in 2019, 4,198 criminal smuggling cases were filed and investigated by customs across the country.^①

According to the news from released on the website of the Supreme People's Procuratorate on May 7, 2020, from January to November 2019, procuratorial organs across the country approved the arrest of 3,937 persons involved in 1,893 criminal smuggling cases, prosecuted 5,717 persons involved in 2,127 cases.^②

There is a wide difference between the above-mentioned data on case registration and arrest, even taking into account the difference in the statistical time range of the two (the customs' statistics for the whole year of 2019, and the Supreme People's Procuratorate's statistics from January to November 2019) and the objective time difference between the case registration by the customs and the arrest approval by the procuratorial organs: Calculated on a monthly average, customs filed about 350 cases per month (for the whole year of 2019), and the procuratorial organs approved about 172 arrest cases per month (January to November 2019), less than half of the number of cases filed by customs.

The so-called objective time difference between the filing of a case and the approval of arrest means that the arrest case approved by the procuratorial organ may be the case that the customs filed before 2019, and the persons involved in the case filed by the customs in 2019 may have to be arrested after 2019. However, in spite of this time difference, data intercepted in the same time period across the country for comparison can still reflect the results of rolling accumulation.

In criminal smuggling cases, the number of arrests approved by the procuratorial organs is less than half of the number of cases filed by the customs. There are two possible reasons:

① "The "2019 National Anti-Smuggling Joint Special Operation Achieves Significant Results: National Customs Registered and Investigated Over 4,000 Criminal Smuggling Cases, <http://www.customs.gov.cn/customs/xwfb34/mtjj35/2849086/index.html>

② The Supreme People's Procuratorate: Focusing on New Trade Forms in Key Fields and Strengthening the Crackdown on Smuggling Crimes https://www.spp.gov.cn/spp/zdgz/202005/t20200507_460533.shtml

1. After filing a case, the customs did not submit a request to the procuratorial organ for arrest;
2. After the customs filed a case, it was submitted for arrest approval, but the procuratorial organ did not approve it.

Data 2: Tax-related and non-tax-related cases (2015-2019)

In 2019, customs across the country filed 4,198 criminal smuggling cases, including 2,038 tax-related criminal smuggling cases and 2,160 non-tax-related criminal smuggling cases.

According to statistics from 2015 to 2019 on customs investigation of criminal smuggling cases, it can be found that the proportion of tax-related cases has decreased year by year, while that of non-tax-related cases has increased year by year, and has exceeded that of tax-related cases.^①

Comparison of the number of tax-related and non-tax-related cases

<i>Year</i>	<i>Tax-related</i>	<i>Non-tax-related</i>	<i>Total</i>
2015	1,242	999	2,241
2016	1,446	1,187	2,633
2017	1,595	1,665	3,260
2018	1,782	1,819	3,601
2019	2,038	2,160	4,198

1. The total number of cases, the number of tax-related cases, and the number of non-tax-related cases have been continuously increasing for 5 years.

2. The specific increase rates vary greatly:

Total number of cases: from 2,241 cases in 2015 to 4,198 cases in 2019, with an increase of 87.3%;

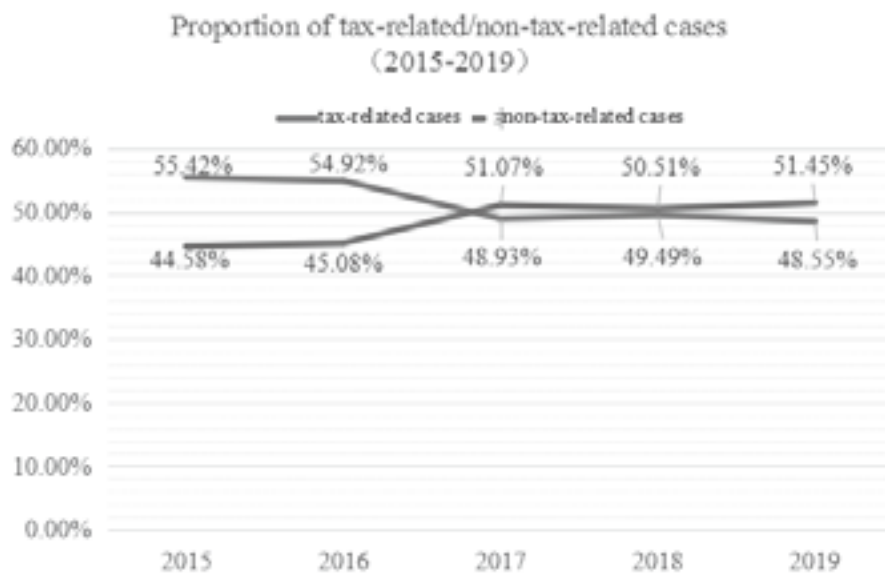
Tax-related cases: from 1,242 cases in 2015 to 2,038 cases in 2019, with an increase of 64.1%;

Non-tax-related cases: from 999 cases in 2015 to 2,160 cases in 2019, with an increase of 116.2%.

^① The General Administration of Customs Issues Top Ten Typical Anti-smuggling Cases in 2015, <http://www.customs.gov.cn/customs/xwfb34/302425/365011/index.html> ; Top Ten Typical Anti-smuggling Cases of Customs in 2016, <http://www.customs.gov.cn/customs/xwfb34/302425/636279/index.html> ; Criminal Smuggling Cases Investigated by Customs in 2017 Hit a Record High, http://www.gov.cn/xinwen/2018-01/24/content_5260086.htm , Legal Daily: Customs Investigated 3,601 Smuggling Cases Last Year", <http://www.customs.gov.cn/customs/xwfb34/mtjj35/2277996/index.html>

Obviously, non-tax-related cases has witnessed a significant increase, doubling in five years. The number of non-tax-related cases in 2019 has approached the total number of cases in 2015.

3. Judging from the proportion of tax-related cases and non-tax-related cases, although the leading distance of non-tax-related cases in 2019 (2.9 %) is still less than the leading distance of tax-related cases in 2015 (10.8 %), the trend of "one declining and the other increasing" between the categories of cases has continued.



The Development and Breakthroughs of China's Whole Vehicle Import Ports

Li Zhuo, Yu Deshui

Relevant regulations of relevant national ministries and commissions and customs on the import of whole vehicles

The examination and approval of the whole vehicle import ports is the authority of the State Council. In 2012, the General Office of the State Council clarified the four principles to be followed in the examination and approval of the whole vehicle import ports, "meeting market needs, transportation convenience, strict control, and effective supervision". In the relevant approval opinions of the General Office of the State Council on whole vehicle import ports, it is clearly stated that, "The General Administration of Customs shall, together with relevant departments, conscientiously do a good job in establishing import ports for whole vehicles in accordance with requirements of meeting market needs, transportation convenience, strict control, and effective supervision. ".

Background of the implementation of designated ports for whole vehicle import

As a trade control measure, the policy of restricting the import of whole vehicles to designated ports is a management model adopted by many countries. It plays an important role in protecting the development of domestic related industries, promoting the healthy and stable development of foreign trade, and providing development assistance to the local economy. In 1994, the State Council issued the Industrial Policy for the Automobile Industry, for the first time clearly stating the implementation of port management on the import of whole vehicles. Four coastal ports including Dalian New Port, Tianjin New Port, Shanghai Port, and Huangpu Port, and two land ports in Manzhouli and Shenzhen (Huanggang) are designated as whole vehicle import ports. In 1997, the Alashankou Port was designated as the port to "import whole vehicles for self-use in the Xinjiang Uygur Autonomous Region and with the CIS countries as the place of origin in the plan approved by the state". In 2009, the examination and approval of the whole vehicle import ports was initiated, and the relevant national policies directly designated Qinzhou as a vehicle import port. From 2011 to 2012, the General Administration of Customs, together with

the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Ministry of Commerce, reviewed and approved 6 whole vehicle import ports including Fuzhou, Qingdao, Ningbo, Zhangjiagang, Capital Airport, and Horgos. In 2014, the General Administration of Customs, together with relevant departments, proposed to the General Office of the State Council in two batches and was approved to add five new vehicle import ports, including Haikou, Zhengzhou, Chongqing, Yueyang, and Chengdu; the whole vehicle import restrictions on the Alashankou Port were cancelled; the whole vehicle port scope of the Huangpu Port was expanded to Nansha Port, and that of the Shenzhen (Huanggang) Port to Dachan Bay Port Area. Since then, the General Administration of Customs, together with the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Commerce and the General Administration of Quality Supervision, Inspection and Quarantine, has formed a joint acceptance team to carry out the inspection and acceptance of infrastructure and supervision facilities at the newly-added whole vehicle import ports and ports the relevant scope of which were adjusted in recent years and has only approved those that pass the inspection and acceptance to carry out the whole vehicle import business. At the same time, in accordance with the relevant opinions of the State Council, the General Administration of Customs in 2014 drafted a reply on behalf of the State Council that Lianyungang, Suzhou, Zhanjiang and other three places would not temporarily be added as the whole vehicle import ports. In 2017, the General Administration of Customs, together with relevant departments, proposed to the General Office of the State Council and was approved to add 7 new whole vehicle import ports including Tangshan, Suifenhe, Anqing, Xiamen, Wuhan, Xi'an, and Yinchuan. In 2018, the State Council officially approved Lanzhou and Changchun as whole vehicle import ports. In 2019, Ganzhou was added as a whole vehicle import port.

At present, there are 31 whole vehicle import ports approved by the State Council, including 14 coastal ports, 5 land ports, 2 air ports, 8 railway ports, and 2 inland river ports. Except for 6 provinces (autonomous regions) including Shanxi, Guizhou, Yunnan, Qinghai, Tibet, Taiwan and a special administrative regions, Hong Kong and Macau, 26 provinces (autonomous regions and municipalities) in China have whole vehicle import ports. .

List of Current Whole Vehicle Import Ports

<i>No.</i>	<i>Port type</i>	<i>Port name</i>	<i>Province</i>	<i>Competent customs</i>	<i>Time of approval</i>
1	Coastal port	Tianjin New Port	Tianjin	Tianjin Customs	1994
2		Dalian New Port	Liaoning	Dalian Customs	1994
3		Shanghai Port	Shanghai	Shanghai Customs	1994
4		Guangzhou Port–Huangpu	Guangdong	Huangpu Customs	1994
5		Qinzhou Free Trade Port Area	Guangxi	Nanning Customs	2009
6		Fuzhou Port Jiangyin Port Area	Fujian	Fuzhou Customs	2012
7		Qingdao Qianwan Bonded Port Area	Shandong	Qingdao Customs	2012
8		Ningbo Meishan Free Trade Port Area	Zhejiang	Ningbo Customs	2012
9		Zhangjiagang Free Trade Port Area	Jiangsu	Nanjing Customs	2012
10		Guangzhou Port–Nansha	Guangdong	Guangzhou Customs	2014
11		Haikou Port Area	Hainan	Haikou Customs	2014
12		Shenzhen–Dachan Bay	Guangdong	Shenzhen Customs	2015
13		Tangshan Port Area	Hebei	Shijiazhuang Customs	2017
14		Xiamen Haicang Free Trade Port Area	Fujian	Xiamen Customs	2017
15	Land port	Manzhouli	Inner Mongolia	Manzhouli Customs	1994
16		Shenzhen–Huanggang	Guangdong	Shenzhen Customs	1994
17		Alashankou	Xinjiang	Urumqi Customs	1997
18		Horgos	Xinjiang	Urumqi Customs	2012
19		Ganzhou	Jiangxi	Nanchang Customs	2019
20	Air port	Beijing Capital International Airport	Beijing	Beijing Customs	2012
21		Yinchuan Hedong Airport	Ningxia	Yinchuan Customs	2017

No.	Port type	Port name	Province	Competent customs	Time of approval
22	Railway port	Chongqing	Chongqing	Chongqing Customs	2014
23		Zhengzhou	Henan	Zhengzhou Customs	2014
24		Chengdu	Sichuan	Chengdu Customs	2015
25		Xi'an	Shaanxi	Xi'an Customs	2017
26		Suifenhe	Heilongjiang	Harbin Customs	2017
27		Wuhan	Hubei	Wuhan Customs	2017
28		Lanzhou	Gansu	Lanzhou Customs	2018
29		Changchun	Jilin	Changchun Customs	2018
30	Inland port	Yueyang Chenglingji	Hunan	Changsha Customs	2014
31		Anqing Port	Anhui	Hefei Customs	2017

*The above figures were collected and organized from online public data

Qualification application process

(i) The people's government of the province (autonomous region, municipality directly under the Central Government) shall report the request for instructions to the State Council. The request document should state the necessity and feasibility of establishing a port for importing whole vehicles, and attach relevant plans;

(ii) The General Administration of Customs shall, in accordance with the opinions approved and transmitted by the State Council, take the lead in conducting research and review, departmental consultations or on-site investigations in conjunction with relevant departments of the State Council on the situation of the whole vehicle import ports to be established;

(iii) After the various departments have reached a consensus, the General Administration of Customs shall draft the request for instructions submitted to the State Council, and sign it together with the relevant departments of the State Council before submitting it to the State Council for examination approval.

Whole vehicle imports in 2019

According to statistics, in 2019, the import volume of whole vehicles was 1.05 million

vehicles, a decrease of 86,000 vehicles compared with 2018, a decrease of 7.6% year-on-year, and has declined for three consecutive years. The main reason is the short-term economic downturn in China, coupled with the decline in the auto market caused by the increasing uncertainty of the external environment such as the Sino-US trade war. In addition, China's auto production and sales had ranked first in the world for nine consecutive years. The booming auto market has brought a very high base of production and sales. With a high base, the auto market is under considerable pressure to maintain rapid growth. Among the ports, the three ports, Tianjin Port, Shanghai Port and Huangpu Port seize the main market shares, accounting for about 90% of the total imports.

Restrictive factors for the development of whole vehicle import ports

(i) Multi-departmental coordinated advancement support is insufficient, and the foundation for whole vehicle port development needs to be consolidated.

Ports with relatively small business volume have encountered problems such as inadequate software and hardware support from local governments to varying degrees during their operation.

In terms of software, all ports provide financial support for parallel-import vehicles to varying degrees. Regarding the financing difficulties, some ports have not yet established financing platforms to provide guarantees for enterprises, and the operating costs of enterprises are still relatively high.

In terms of hardware, the infrastructures of some ports cannot yet fully meet the needs of business development and supervision.

In terms of the coordinated promotion of various departments, the overall coordination mechanism needs to be strengthened; the feedback mechanism for the problems encountered in the process of policy advancement is lacking; the enterprises "don't know which department to turn to for help when the problem occurs".

In terms of 3C certification, the high test cost and time cost are unbearable for enterprises. For example, a parallel-import vehicle model needs to independently complete an environmental durability test of 160,000 kilometers, with a test cost of nearly 2 million yuan and a test cycle of 8 months. Due to the inadequate policy publicity and interpretation, the preferential policies and support measures for stabilizing foreign trade in special customs supervision areas are in an "idle" state.

(ii) Relying on preferential policies for the short-term development, auto manufacturers have no plans for long-term development.

Coastal ports have advantages in logistics cost and capacity, while other types of ports

are naturally at a disadvantage. In addition, the import of Chinese standard-compliant vehicles is basically monopolized by several major coastal ports. In addition to seeking differentiated development, inland whole vehicle ports are mainly attracted to government support policies. Take Xinjiang as an example. Xinjiang is more than 3,000 kilometers away from coastal provinces and cities, Europe and the Middle East, and the vehicles imported to Xinjiang can only be transported by road and rail. It is understood that the railway freight from Hamburg, Germany to Alashankou is about 3,600 US dollars per vehicle, and the railway freight for multimodal transportation from Dubai to Alashankou is about 2,000 US dollars per vehicle, about 20,000 yuan higher than the ocean freight, which greatly increases import costs. Long-distance land transportation and multiple customs clearance have increased costs. Before a healthy, mature, and sustainable import vehicle trading market is formed, it still depends on financial subsidies and other preferential measures from local governments. Once the government stops or reduces subsidies, the enthusiasm of relevant auto manufacturers to develop business will decline, and they will shift their "business" to areas with higher subsidies.

(iii) Insufficient local economic development, lack of after-sales service and supporting industrial chains.

There is a gap in the level of economic development and consumer demand between the areas radiated by inland ports and the domestic developed regions such as coastal areas. The local purchasing power of imported vehicles is relatively weak; the after-sales service and supporting industry chain are insufficiently distributed; there are few maintenance and modification options available; the after-sales cost is high. As a result, it is difficult to form a large-scale imported vehicle trading market platform, and the geographical advantages of the port cannot be effectively utilized. At present, it can only be used as an import channel for the vehicle market in domestic developed cities and central cities, and a hub for imported whole vehicles at inland ports for China Railway Express.

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

The Framework Opinions of the National Port Administration Office on the Construction of

① Economic Commission for Europe, UN/CEFACT, Recommendation and Guidelines on establishing a Single Window to enhance the efficient exchange of information between trade and government (Recommendation No. 33), P3: <http://www.unece.org/tradewelcome/un-centre-for-trade-facilitation-and-e-business-uncefact/outputs/cefactrecommendationsrec-index/list-of-trade-facilitation-recommendations-n-31-to-36.html>

② 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

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 17 government departments have jointly promoted it.

The basic structure of the overall layout of single window construction is described as followed: at central level, the China E-Port Platform is used for integration of systems of local ports management and departments relevant to international trade in a "central-to-central" approach to achieve exchange and sharing of information as well as data, and to match

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/publish/portal0/tab49564/info713442.htm>11 Matters Relating to the Merger of Qualifications for Enterprise Customs Declaration and Inspection <http://www.customs.gov.cn/customs/302249/302266/302267/1662054/index.html>

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 reply 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%. By 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 2020, the standardized version of the international trade "single window" (i.e. the "central standard application" module of the local "single window" websites) had covered a total of 13 basic business functions, including online processing enterprise qualification, licensing, license application and receiving, application and receiving of certificate of origin, vehicle declaration, manifest declaration, goods declaration, processing trade, tax payment, cross-border electronic commerce, goods clearance, export tax rebate, port logistics,

① 12 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 13 GACC: Promote the Standardized Version of International Trade Single Window: <http://www.customs.gov.cn/publish/portal0/tab44653/info841912.htm>

③ 14 About Us: <http://www.singlewindow.cn/gywm/index.jhtml> 15 Registered Users of International Trade "Single Window" Exceeded 2.2 million: <http://finance.people.com.cn/GB/n1/2019/0419/c1004-31037921.html>

query statistics. The original "financial service" functional module has been expanded to cover three types of services: banking, insurance and export credit. In addition, the WeChat 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.^① The system of free declaration has been implemented for "single window".

In 2020, in line with the fight against the COVID-19 epidemic and the stabilization of foreign trade and foreign investment, China International Trade Single Window has launched functions such as the expansion of the scope of self-service printing of certificates of origin, exemption from on-site assistance in inspections, one-stop fast and convenient export tax rebate processing, and cargo declaration "two-stage access". As of late July 2020, the cumulative number of registered users through China International Trade Single Window reached more than 3.3 million; the daily declaration volume reached 10 million bills; the application rate of the three main businesses of cargo, manifest and vehicle reached 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 the application rate of major business had also reached 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 16 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/17> Li Keqiang Presided over the Executive Meeting of the State Council: It is Decided to further Promote the Customs Clearance Facilitation: <http://www.chinanews.com/gn/2019/06-12/8863086.shtml> 18 China International Trade Single Window Basically Realizes One-stop Processing of Corporate Business: <http://www.chinanews.com/cj/2020/07-22/9245564.shtml>

② 19 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 [20 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-fjftz.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. 23 professionals^① participated the assessment of version 2021.

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 2019 to 2020 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:

Direct Score

① The 23 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.).

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:

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.

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

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		

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.)

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.

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.

Trade Facilitation Index Calculation

After setting the weight of the first-level indicators according to the previous statement, Trade Facilitation Index can be calculated from the weighted average of the 11 first-level indicators.

2 Assessment Conclusion

2.1 Scores of the Indicators

All the scores of the first-level indicators and the sub-indicators are shown below:

Table 2 Scores of the first-level indicators & the sub-indicators

	<i>Indicator</i>	<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
<i>First-level Indicator</i>	<i>I. Information Availability</i>	<i>0.11</i>	<i>75.54</i>	<i>1.51</i>
<i>Sub-indicator</i>	1 Establishment of a national Customs website	0.06	83.15	1.66
	2 Possibility to provide online feedback to Customs	0.06	79.01	1.58
	3 Publication of rate of duties	0.05	86.14	1.72
	4 Establishment of enquiry points	0.05	80.19	1.60
	5 Enquiry points' operating hours	0.04	75.49	1.51
	6 Timeliness of enquiry points	0.05	72.95	1.46
	7 Information on import and export procedures	0.05	72.01	1.44
	8 Required documentation easily accessible for downloading	0.04	76.11	1.52
	9 Information about procedures published in advance of entry into force	0.06	74.54	1.49
	10 Average time between publication and entry into force	0.04	56.78	1.14
	11 Publication of agreements with any country or countries relating to the above issues	0.04	77.32	1.55
	12 Publication of information on procedural rules for appeal	0.05	77.14	1.54
	13 Publication of decisions and examples of Customs classification	0.05	75.18	1.50
	14 Publication of necessary information on advance rulings	0.06	74.05	1.48
	15 Penalty provisions for breaches of import and export formalities published	0.06	73.29	1.47
	16 Applicable legislation published on Internet	0.04	76.75	1.53
	17 Publication of judicial decisions on Customs matters	0.04	78.39	1.57
	18 Dedicated interactive page for professional users/ companies is developed to show and manage browsing history, search history, and enquiry items	0.03	74.00	1.48
	19 User manuals available online	0.03	76.50	1.53
	20 Quality/User friendliness of the research/help function of the Customs website	0.03	68.43	1.37
	21 Transparency of government policymaking	0.06	74.35	1.49
<i>First-level Indicator</i>	<i>II. Involvement of Trade Community</i>	<i>0.11</i>	<i>68.61</i>	<i>1.37</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	70.15	1.40
	23 General notice-and-comment framework procedures in place, applicable to trade and border issues	0.11	66.98	1.34
	24 Are there established guidelines and procedures in place, governing the public consultation process	0.13	65.86	1.32
	25 Targeted stakeholders	0.11	66.05	1.32
	26 Implementation of public consultation system during previous 3 years	0.12	63.72	1.27
	27 Drafts published prior to entry into force	0.13	69.17	1.38
	28 Public comments taken into account	0.13	68.04	1.36
	29 Communication of policy objectives	0.13	77.57	1.55
<i>First-level Indicator</i>	<i>III. Advance ruling</i>	<i>0.09</i>	<i>78.46</i>	<i>1.57</i>
Sub-indicator	30 Issuance of binding advance rulings	0.10	72.34	1.45
	31 Issuance of binding advance rulings on tariff classification	0.11	74.35	1.49
	32 Issuance of binding advance rulings on origin	0.10	73.74	1.47
	33 Length of time for which the advance ruling is valid (duration)	0.09	69.42	1.39
	34 Publication of the maximum time by which the advance ruling will be issued	0.11	79.49	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	86.20	1.72
	37 Information on advance rulings of significant general interest published	0.11	77.73	1.55
	38 Possibility to request a review of an advance ruling or its revocation / modification	0.09	76.49	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>73.61</i>	<i>1.47</i>
Sub-indicator	40 Is information on procedural rules for appeal publicly available	0.14	77.59	1.55
	41 Independent or higher level administrative and/or judicial appeal procedures available for customs decisions	0.13	76.21	1.52

<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	73.22	1.46
	43 Timeliness of the appeal mechanism – avoidance of undue delays	0.09	73.12	1.46
	44 Information available on the motives of the administration's decisions	0.10	71.92	1.44
	45 Possibility of appeals that is finally resolved in favor of traders	0.10	84.27	1.69
	46 Time limit for deciding judicial appeals	0.10	74.02	1.48
	47 Efficiency of legal framework in challenging regulations	0.09	65.15	1.30
	48 Judicial independence extent	0.13	65.68	1.31
<i>First-level Indicator</i>	<i>V. Fees and Charges</i>	<i>0.09</i>	<i>84.32</i>	<i>1.69</i>
Sub-indicator	49 Information published on fees and charges	0.08	85.61	1.71
	50 Evaluation of fees and charges	0.07	79.52	1.59
	51 Information on fees and charges all-inclusive	0.07	82.41	1.65
	52 Total number of fees collected (number - diversity)	0.07	80.72	1.61
	53 Fees for answering enquiries and providing required forms and documents	0.07	94.42	1.89
	54 Fees and charges periodically reviewed to ensure they are still appropriate and relevant	0.07	79.77	1.60
	55 An adequate time period granted between the publication of new or amended fees and charges and their entry into force	0.07	79.72	1.59
	56 Fees for Customs services during normal working hours	0.05	97.47	1.95
	57 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - transparency	0.08	84.49	1.69
	58 Implementation of penalty disciplines for the breach of customs laws, regulations or procedural requirements - proportionality	0.08	86.33	1.73
	59 Does the administration provide any explanation in writing on the basis for assessing and applying the penalty	0.07	79.26	1.59
	60 Conflicts of interest in the assessment and collection of penalties and duties	0.06	91.29	1.83

<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	84.28	1.69
	62 Level of total fees and charges	0.07	80.28	1.61
<i>First-level Indicator</i>	<i>VI. Formalities-documents</i>	<i>0.09</i>	<i>84.29</i>	<i>1.69</i>
Sub-indicator	63 Copies of documents accepted	0.11	84.92	1.70
	64 Percent of supporting documents required for import, export and transit formalities for which copies are accepted	0.11	74.44	1.49
	65 International Standards compliance	0.14	83.29	1.67
	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	77.40	1.55
	69 Complexity of preparing documents for import	0.14	74.98	1.50
	70 Complexity of preparing documents for export	0.12	78.30	1.57
<i>First-level Indicator</i>	<i>VII. Formalities-automation</i>	<i>0.08</i>	<i>80.98</i>	<i>1.62</i>
Sub-indicator	71 Percent of import declarations cleared electronically	0.08	71.04	1.42
	72 Percent of export declarations cleared electronically	0.08	74.78	1.50
	73 Percent of import and export procedures that allow for electronic processing	0.07	71.15	1.42
	74 Pre-arrival processing supported by the possibility to lodge documents in advance in electronic format	0.08	82.27	1.65
	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	87.90	1.76
	76 Electronic payment system integrated with the automated declaration/cargo processing systems	0.08	87.91	1.76
	77 Risk Management applied and operating in an automated environment	0.08	82.79	1.66
	78 Single window supported by information technology	0.09	83.57	1.67
	79 IT Systems capable of accepting and exchanging data electronically	0.07	81.54	1.63
	80 Automated processing system include functions allowing for the release of goods subject to conditions (i.e. guarantee)	0.08	83.70	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	84.28	1.69
	82 Automated processing for Customs declarations available full-time (24/7)	0.08	86.13	1.72
	83 Quality of telecommunications and IT	0.07	72.71	1.45
<i>First-level Indicator</i>	<i>VIII. Formalities-procedures</i>	<i>0.09</i>	<i>84.92</i>	<i>1.70</i>
Sub-indicator	84 Single Window	0.04	85.00	1.70
	85 Publication of Average Release Time	0.04	72.41	1.45
	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	77.43	1.55
	89 Percent of goods undergoing physical inspections	0.04	79.00	1.58
	90 Percentage of physical inspections for perishable goods	0.04	93.37	1.87
	91 Facilitation for perishable goods with regards to physical inspection –timeliness	0.03	82.96	1.66
	92 Facilitation for perishable goods with regards to physical inspection –timeliness – storage condition	0.03	83.06	1.66
	93 Release of goods separated from final determination and payment of Customs duties	0.03	84.35	1.69
	94 Percentage of releases for perishable goods prior to final determination and payment of Customs duties, taxes, fees and charges [0%~100%]	0.03	74.69	1.49
	95 Perishable goods treated differently than non-perishable goods concerning the separation of release from clearance	0.03	85.32	1.71
	96 Customs controls supported by a risk management system allowing risks to be assessed through appropriate selectivity criteria	0.03	88.20	1.76
	97 Other border controls supported by a risk management system	0.03	74.02	1.48
	98 Compliance with customs and other related laws and regulations supported by post-clearance audits (PCAs)	0.04	86.85	1.74
	99 Establishment of standard policies and procedures to guide PCAs	0.03	84.77	1.70
	100 Use of pre-shipment inspections required on Customs matters	0.02	80.55	1.61

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
	101 Possibility to provide additional trade facilitation measures to operators meeting specified criteria (authorized operators)	0.04	84.07	1.68
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	83.48	1.67
	103 Can small and medium enterprises apply for qualification of Authorized Operator	0.04	85.17	1.70
	104 Time necessary on average to obtain Authorized Operator certification	0.03	67.51	1.35
	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	78.25	1.56
	107 Requirement for clearance by a third-party customs broker	0.02	92.83	1.86
	108 Expedited release procedures	0.03	81.99	1.64
	109 Procedures for the re-export of rejected goods	0.03	81.34	1.63
	110 Temporary admission of goods and inward and outward processing	0.03	79.83	1.60
	111 Efficiency of Customs and delivery of imports	0.04	87.52	1.75
	112 Efficiency of Customs and delivery of exports	0.04	91.79	1.84
	113 Simplification of procedures (time)	0.03	89.71	1.79
	114 Simplification of procedures (cost)	0.03	87.07	1.74
<i>First-level Indicator</i>	<i>IX. Internal border agency cooperation</i>	<i>0.09</i>	<i>76.47</i>	<i>1.53</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	78.31	1.57
	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	72.20	1.44
	118 Domestic coordination / harmonization of data requirements and documentary controls among agencies involved in the management of cross border trade	0.10	74.76	1.50

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
	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	72.12	1.44
Sub-indicator	120 Domestic coordination of inspections among agencies involved in the management of cross border trade	0.08	76.83	1.54
	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	68.43	1.37
	122 Control delegation at the national level	0.07	73.28	1.47
	123 Coordinated / shared risk management mechanisms	0.10	74.03	1.48
	124 Coordination among domestic agencies involved in the management of cross border trade with regards to Authorized Operators programs	0.10	75.23	1.50
	125 Coordinated / shared infrastructure and equipment use	0.08	73.65	1.47
<i>First-level Indicator</i>	<i>X. External Border Agency Cooperation</i>	<i>0.07</i>	<i>72.14</i>	<i>1.44</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	73.31	1.47
	127 Alignment of working days and hours with neighboring countries at land borders where applicable	0.08	68.76	1.38
	128 Alignment of procedures and formalities with neighboring countries at borders where applicable	0.08	69.23	1.38
	129 Cross-border coordination / harmonization of data requirements and documentary controls	0.10	68.51	1.37
	130 Cross-border coordination / harmonization of the different computer systems	0.10	66.27	1.33
	131 Risk management cooperation	0.10	69.84	1.40
	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	67.78	1.36
	133 Development and sharing of common facilities with neighboring countries at border crossings, where applicable	0.08	65.63	1.31
	134 Joint controls with neighboring countries at border crossings, where applicable	0.10	67.31	1.35

<i>Indicator</i>		<i>Weight</i>	<i>Score (0-100)</i>	<i>Score (0-2)</i>
	135 How many following issues does the Mutual Recognition Agreements/Arrangements on Authorized Operators (AOs) cover?	0.10	100.00	2.00
	136 Exchange of staff and training programmes at the international level	0.10	74.73	1.49
<i>First-level Indicator</i>	<i>XI. Governance and Impartiality</i>	<i>0.08</i>	<i>80.21</i>	<i>1.60</i>
Sub-indicator	137 Transparent structures and functions in the border agencies clearly established	0.13	79.68	1.59
	138 Ethics policy applied to border agencies	0.10	82.63	1.65
	139 Code of Conduct established in border agencies	0.12	82.78	1.66
	140 Effective sanctions against misconduct of border agency staff	0.10	82.04	1.64
	141 Implementation and transparency of sanctions against misconduct	0.12	73.39	1.47
	142 Efficient internal communication about policies and procedures of agencies involved in the border process	0.10	72.85	1.46
	143 Internal audit mechanism established in the various agencies involved in the border process	0.12	83.42	1.67
	144 Clear provisions for the financing of the Customs administration	0.12	83.04	1.66
	145 Publication of an annual Customs report	0.10	81.92	1.64

The assessment scores show these conclusions:

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

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

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)	75.54	68.61	78.46	73.61
Score (0-2)	1.51	1.37	1.57	1.47
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)	84.32	84.29	80.98	84.92
Score (0-2)	1.69	1.69	1.62	1.70
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)	76.47	72.14	80.21	
Score (0-2)	1.53	1.44	1.60	
Weight	0.09	0.07	0.08	

With calculation, the overall Trade Facilitation Index of China is figured out: 77.92 (0-100) or 1.56 (0-2).

2.3 Comparison with Previous Assessments

The comparison with previous assessments is shown below:

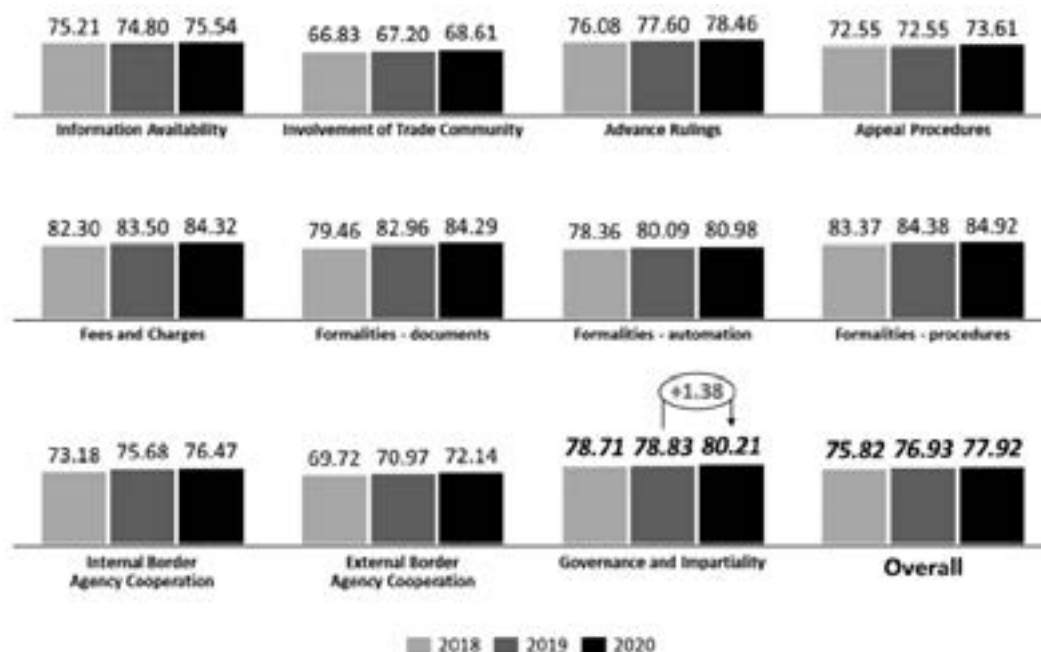


Figure 1: Scores on the trade facilitation in China (2018 / 2019/2020)

Comparing with the conclusions of the assessment in 2019, China has made progress in the 11 aspects of trade facilitation. The main improvements involves the following aspects:

Information Availability: China Customs published the latest changes of related laws and regulations through multiple public medias and interpreted the most significant modifications; China Customs timely introduced facilitation measures and special customs clearance guides to solute the problems caused by the COVID-19 outbreak.

Appeal Procedures: GACC Announcement No.161 of 2019 (on Disposing Voluntarily Disclosed Tax Irregularities) was introduced to give a more definite operating instructions on the voluntary disclosure of tax irregularities.

Formalities-documents: Following the instructions of GACC, local customs departments have simplified the documentary requirements for customs clearance.

Formalities-automation: Internal/external online verification of import/export licenses and certificates of origin has been applied more widely.

Formalities-procedures: GACC introduced and promoted the pattern of Dual-step Declaration in 2019 and introduced the pattern of Physical Inspection without Accompanying after the outbreak of COVID-19.

External Border Agency Cooperation: China Customs actively promoted Mutual Recognition of AEO and made the guide of authorization standards opened to help enterprises understand the standards.

Governance and Impartiality: By the International Trade Single Window as a hub, the information exchange and the communication among the border departments/agencies have been more enhanced than before.

2020 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, 2019 and June 30th, 2020.
3. The conclusion of the assessment will be a part of Trade Facilitation Annual Report of China (2021).
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:

- listing the respondents’ names in Trade Facilitation Annual Report of China (2021),
- presenting a copy of Trade Facilitation Annual Report of China (2021) to each respondent,
- inviting the respondents to attend the release event of Trade Facilitation Annual Report of China (2021),
- 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, 2020. Please contact the research

center if there are any questions. (E-mail: ra4@re-code.org, Tel: 086-18800125788).

Personal Information (questions with “*” require 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 (2021)? *

☐ 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 [Score: 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 [Score: 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 [Score: 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 [Score: 0~100]

67 Number of documents for export [Score: 0~100]

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 [Score: 0~100]

72 Percent of export declarations cleared electronically [Score: 0~100]

73 Percent of import and export procedures that allow for electronic processing [Score: 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 [Score: 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 [Score: 0~100]

90 Percentage of physical inspections for perishable goods [Score: 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 [Score: 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)

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CAI Xiao	Airspeed International Freight Forwarding Co., Ltd.
JIANG Xiaobao	Xiamen Channelton Supply Chain Management Co., Ltd.
JIANG Xiaoping	Beijing Re-code Trade Security and Facilitation Research Center
LI Wei	Xiamen Shenyue Customs Broker Co., Ltd.
WANG Jin	Qingdao Guanjian Business Management & Consulting Co., Ltd.
WU Yugen	Shanghai Jinsong Law Firm
ZHANG Biao	Tianjin Channelton Logistics Co., Ltd.
ZHENG Songlin	Sinotrans Cross-border E-commerce Logistics Co., Ltd. Guangzhou Branch
ZHOU Yucheng	LG Chem.
ZHU Jianan	Tianjin Customs
ZUO Liqiang	Taizhou Juda Mechanic & Electric Co., Ltd.
Cynthia WANG	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
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ZHANG Leibing	Unwilling to be disclosed

① Except the professionals listed above, there are 3 professionals who want their personal information unpublished.

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