

Customs Clearance News

August

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2019

Customs Consulting of Xinhai Newsletter in August

Producer: Xinhai Customs Service Team

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- Application of "Commodity Barcode"
- Standardized declaration contents of "Declaration Elements"



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- Some of the \$300 billion Chinese imports of laptops and mobile phones from China to the United States were delayed until December 15
- Announcement No.4 and No.5 of the Tax Committee [2019]



- Summary of Inspection and Quarantine Policies in August



- China (Shanghai) Gem and Jade Exchange Center Signed MOU with Xinhai



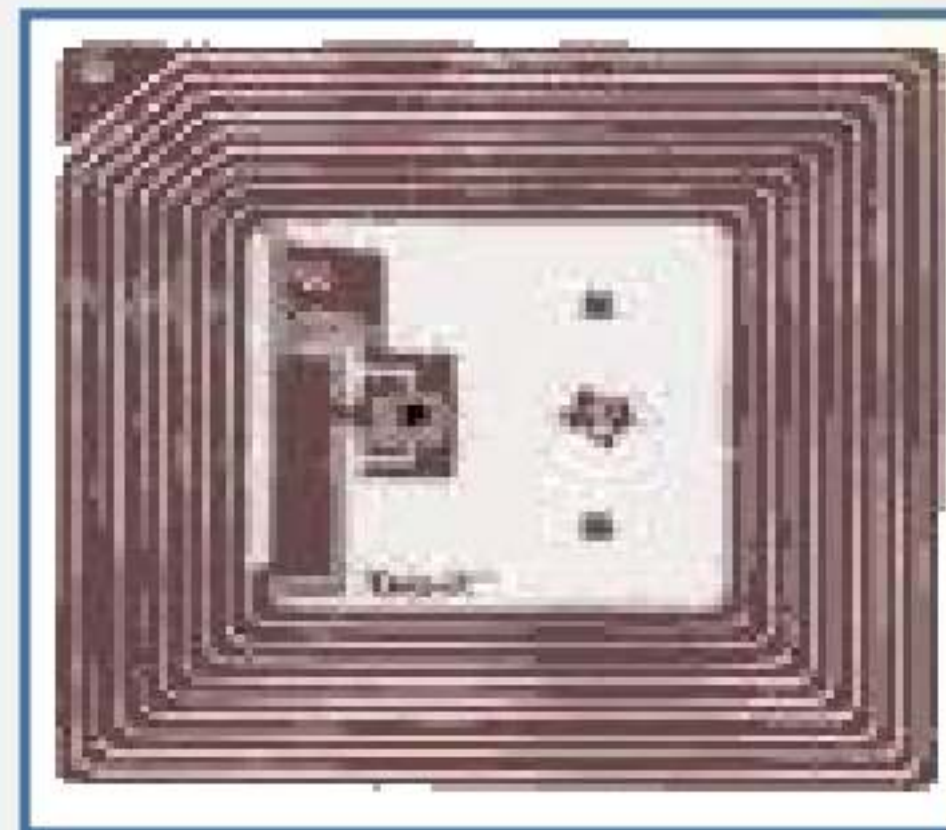
Part One Frontier of customs affairs

- ✘ Application of "Commodity Barcode"
- ✘ Standardized declaration contents of "Declaration Elements"

Application of Commodity Barcode



Hanxin Code



RFID radio
frequency
identification

Commodity Barcode Introduction

- Global Trade Item Number, (GTIN) is the most widely used identification code in GS1 coding system, which is used to identify trade items (a product or service). It is commonly called commodity bar code in China.
- GTIN has four different code structures: GTIN-13, GTIN-14, GTIN-8 and GTIN-12. These four structures can uniquely encode commodities in different packaging forms. Each code structure can use one-dimensional barcode, two-dimensional barcode and radio frequency tag as data carriers.

Application of Commodity Barcode



- Barcode has successfully solved management problems such as retail automatic settlement.
- Retail is one of the most successful and widely used areas for barcode application.



"Standard Products" must have barcode

Commodity basic attribute standard "Trusted Data Source" identifies application


Merchants to be settled in must have commodity bar codes.

Exchange of members set up shop with one button

Electronic commerce




Application of Commodity Barcode



Classification, Price, Country of Origin

- Let the computer identify the characteristics of commodities. For commodities that can identify the characteristics, the computer will automatically check the classification, price and country of origin.



Intellectual Property Protection

- Docking with GTIN, computer can identify brand and prevent abuse of intellectual property rights.




Safety Quality

- It is beneficial to realize information sharing and exchange. It is conducive to the monitoring of adverse events and the recall of problematic products, improving the quality of medical services and ensuring the safety of patients.




Trade Control and Relief

- From one-way vertical management to multi-dimensional and comprehensive management of the whole chain of international trade, we will improve our ability to prevent and control risks in an all-round and integrated way.



Reasonable Release of Regulatory Resources

- Reasonable release of limited regulatory resources for work that cannot be done by more machines.

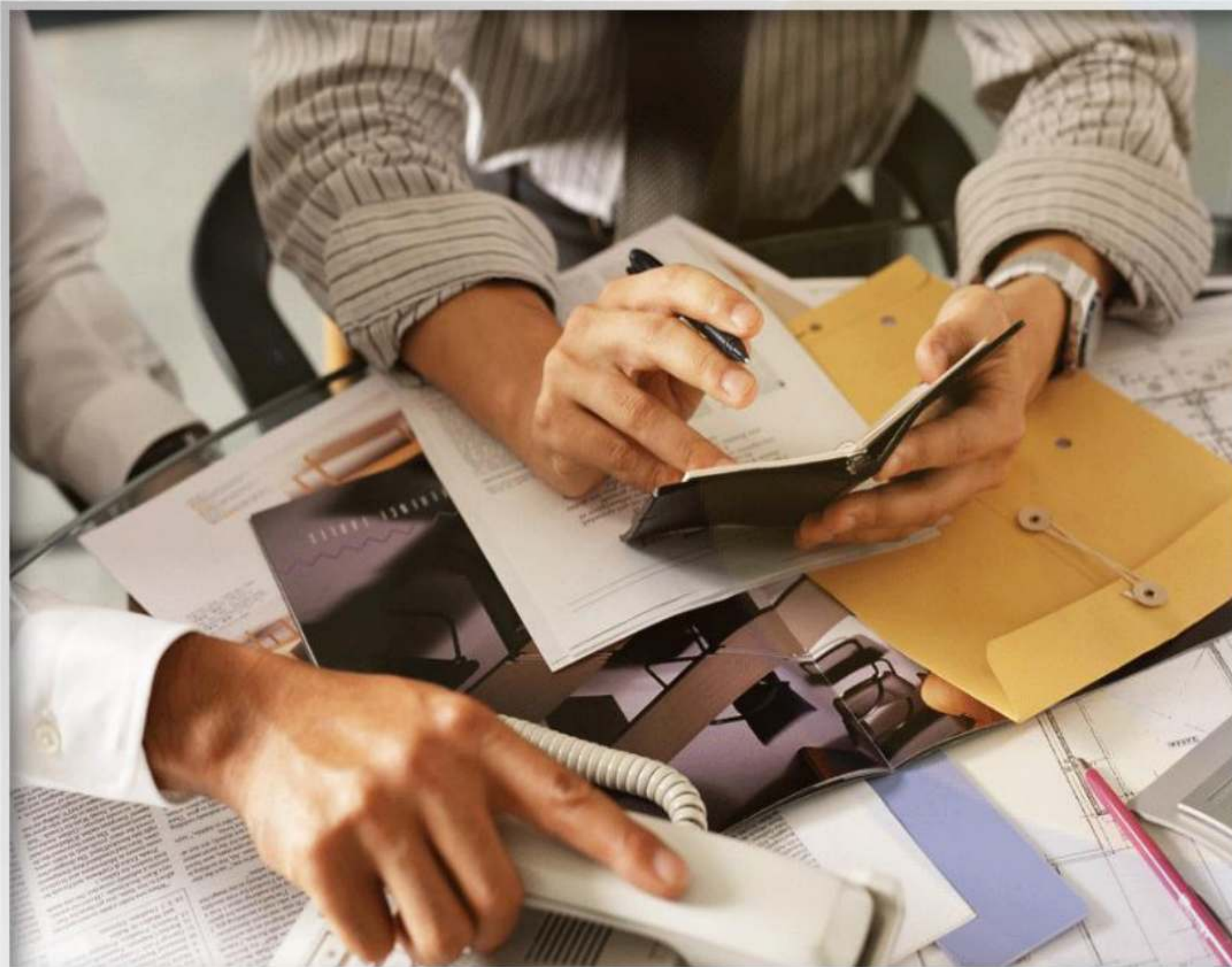


Expand International Cooperation

- In the future, we will promote the application solution of China's customs commodity identification code within the framework of WCO, form a Chinese solution and make a Chinese voice.

Standardized declaration contents of “Declaration Elements”

“Declaration elements” standard declaration and the use of barcode for commodity complement each other. According to Article 24 of the Customs Law and Article 7 of the Administrative Provisions on Customs Declaration of Import and Export Goods, the consignee or consignor of import and export or the enterprise entrusted with customs declaration shall truthfully declare to the customs in accordance with the law, and shall bear corresponding legal responsibilities for the authenticity, accuracy, completeness and standardization of the declaration contents.



Related to the accuracy of collection and management elements such as classification, price and origin of country.



Related to tax risks



Related to enterprise compliance awareness and tax compliance

Standardized declaration contents of "Declaration Elements"

01



Price approval factor

- Brand
- Grade
- Manufacturer
- Date of contract

02



Tax rate applicable factors

- Anti-dumping duty (e.g. model)
- Provisional tax rate (e.g. specific name)

03



Classification and validation factors

- Trade name, ingredient content
- Physical form, technical index
- Processing technology, product structure
- Function, working principle

04



Trade control factors

- Ingredients (such as precursor chemicals in dual-use items)
- Usage (e.g. non-agricultural pesticide registration certificate)
- Technical index (e.g. electrical index in ITA application certificate)

05



Other validation factors

For example: GTIN, CAS, cargo characteristics, color, packaging types, etc.



Part Two

The Latest Progress of Sino-US Trade War

- ✘ US announced 8th list of products excluding tariff increased.
- ✘ The United States plans to impose a 10% tariff on some of China's US \$300 billion products on September 1.
- ✘ Some of the \$300 billion Chinese imports of laptops and mobile phones from China to the United States were delayed until December 15
- ✘ Announcement No.4 and No.5 of the Tax Committee [2019]

US announced 8th list of products excluding tariff increased 欣海报关



2018.9.24

•The list of US \$200 billion tariff increased will be formally implemented on September 24, 2018, with an initial 10% increase. On May 10, 2019, the tax increase rate will be raised to 25%.

01
STEP



2019.5.21

•The U.S. Trade Representative's Office issued a notice to submit an application for public comment on the exclusion procedure for China's \$200 billion tariff list.

02
STEP



2019.6.19

•The U.S. Trade Representative's Office issued a notice to formally start the \$200 billion tax listing product exclusion process.

03
STEP



2019.8.7

•The U.S. Trade Representative's Office has announced the exclusion of products under the US \$200 billion list of goods subject to customs duties. This is the first exclusion of the US \$200 billion list of goods subject to customs duties, with a total of 10 products.

04
STEP

US announced 8th list of products excluding tariff increased

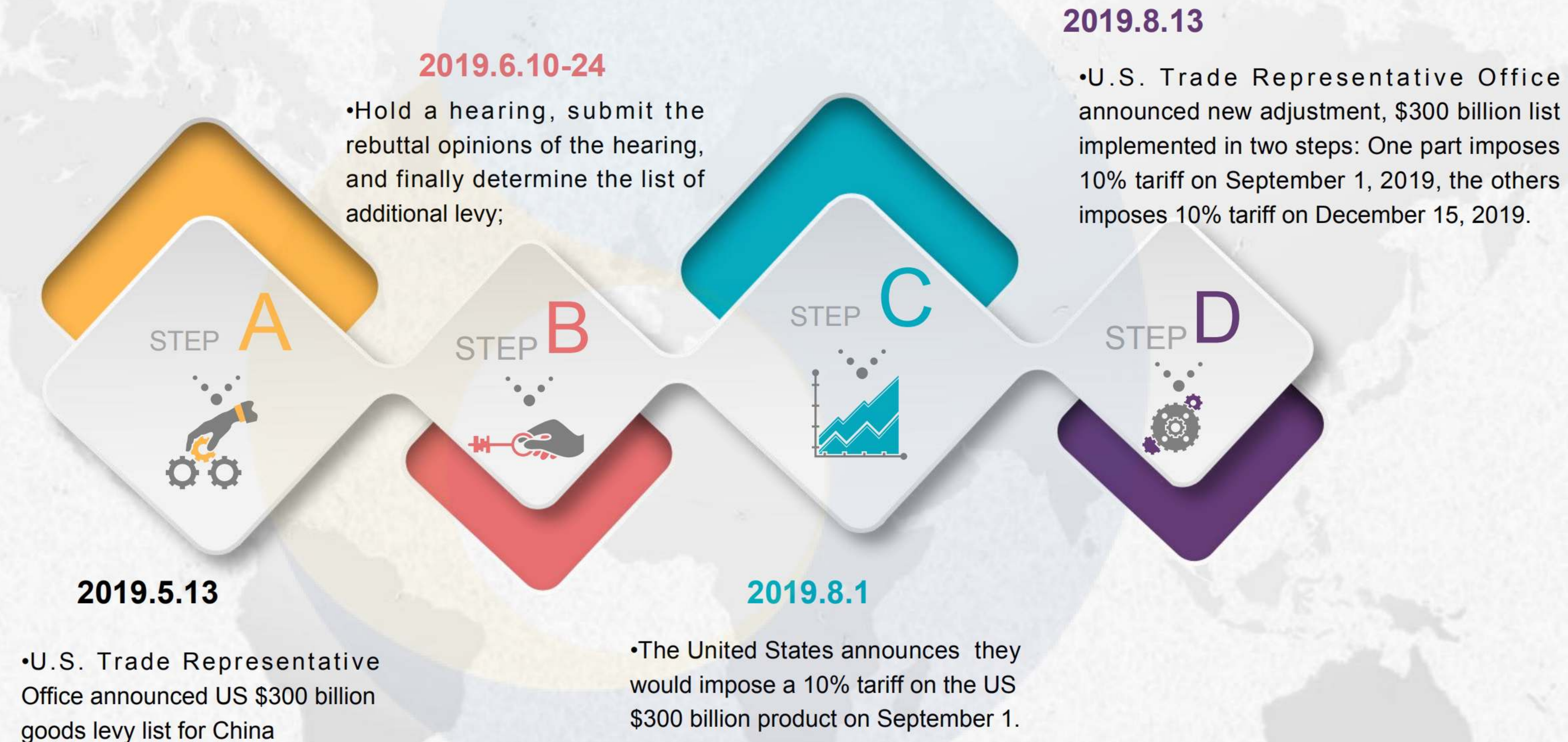


US Commodity Tax Number

Exclude product descriptions

3923.10.9000	Container units of plastics, each comprising a tub and lid therefore, configured or fitted for the conveyance, packing, or dispensing of wet wipes
3923.50.0000	Injection molded polypropylene plastic caps or lids each weighing not over 24 grams designed for dispensing wet wipes
3926.90.3000	Kayak paddles, double ended, with shafts of aluminum and blades of fiberglass reinforced nylon
5402.20.3010	High tenacity polyester yarn not over 600 decitex
5603.92.0090	Nonwovens weighing more than 25 g/m ² but not more than 70 g/m ² in rolls, not impregnated coated or covered
7323.99.9080	Pet cages of steel
8716.80.5090	Carts, not mechanically propelled, each with three or four wheels, of the kind used for household shopping
8716.90.5060	Truck trailer skirt brackets, other than parts of general use of Section XV
8903.10.0060	<ul style="list-style-type: none">•Inflatable boats, other than kayaks and canoes, with over 20 gauge polyvinyl chloride (PVC), each valued at \$500 or less and weighing not over 52 kg•Inflatable kayaks and canoes, with over 20 gauge polyvinyl chloride (PVC), each valued at \$500 or less and weighing not over 22 kg

The United States plans to impose a 10% tariff on some of China's US \$300 billion products on September 1.



Some of the \$300 billion Chinese imports of laptops and mobile phones from China to the United States were delayed until December 15.

HTS Quantity of Tariff-Added Commodities

•Starting from September 1, the number of HTS8 sub-items subject to levy is 3229 and the number of HTS 10 sub-items is 14. Starting from December 15, 542 new HTS8 sub-items and 10 new HTS 10 sub-items will be added. It mainly involves mobile phones, notebook computers, game consoles, some toys, computer monitors, some footwear and clothing, some organic chemical materials, some household electric appliances, etc.

International news

•On the evening of August 13, the two leaders of the Sino-US high-level economic and trade consultation talked, and China made solemn representations on the US plan to impose tariffs on Chinese goods exported to the US on September 1. The two sides agreed to call again in the next two weeks.

Exclusion program startup: The U.S. Trade Office will further launch the procedures for excluding and imposing duties on goods on the List 4A&4B. USTR will publish the exclusion procedure process, including from submission of the exclusion application to final publication of the exclusion list

Exclusion list directory:

•There is no exclusion list in the US \$300 billion list of goods imposed on China, subject to the list adjusted by the US Trade Representative Office on August 14.

U.S. Official Post:

•https://ustr.gov/sites/default/files/enforcement/301Investigations/Notice_of_Modification_%28List_4A_and_List_4B%29.pdf

Announcement No.4 and No.5 of the Tax Committee [2019]

U.S. measures have led to the continuous escalation of Sino-U.S. economic and trade frictions, greatly damaging the interests of China, the United States and other countries, and seriously threatening the multilateral trading system and the principle of free trade. According to the Customs Law of the People's Republic of China, the Foreign Trade Law of the People's Republic of China, the Import and Export Tariff Regulations of the People's Republic of China and other laws and regulations and the basic principles of international law, the Tariff Commission of the State Council has decided to impose tariffs on 5,078 taxable items and about US \$75 billion worth of imported goods originating in the United States.



Announcement No.4 [2019] of the Tax Committee Annex 1

Since 12: 01 on September 1, 2019

10% tariff will be imposed on 270 taxable items listed in Part I of Annex 1.

10% tariff will be imposed on 646 items listed in Part II of Annex 1

5% tariff will be imposed on the 64 taxable items listed in Part III of Annex 1.

5% tariff will be imposed on 737 items listed in Part IV of Annex 1.



Announcement No.4 [2019] of the Tax Committee Annex 2

Since 12: 01 on December 15, 2019

10% tariff will be imposed on 749 items listed in the first part of Annex 2.

10% tariff will be imposed on 163 items listed in Part II of Annex 2.

5% tariff will be imposed on 634 taxable items listed in Part III of Annex 2.

5% tariff will be imposed on the 1815 taxable items listed in the fourth part of Annex 2.



Announcement No.5 [2019] of the Tax Committee

Since 12: 01 on December 15, 2019, the resumption of the levy of duties on the commodities listed in annexes 1, 2 and 3 of the notice of the customs tariff Commission of the state Council on suspending the levy of duties on automobiles and parts originating in the United States (notice of the tax Commission [2018] No.10) is to resume the levy of 25% (involving imports originating in the United States of 50 billion us dollars), 25% (involving imports originating in the United States of 16 billion us dollars) and 10% (involving imports originating in the United States of US \$60 billion)



•It is planned that from October 1, 2019, 25% of the \$250 billion goods originating from China exported to the United States will be further increased to 30% of the levy. For \$300 billion Chinese-origin goods exported to the United States, the tariff rate was originally scheduled to be increased by 10% to 15% from September 1, 2019.



Part Three

Summary of Inspection and Quarantine Policies in August

- ✘ Animal and plant products access category
- ✘ Administrative approval
- ✘ Inspection and quarantine category
- ✘ General

Summary of Inspection and Quarantine Policies in August



Category	Announcement No.	Comments
Animal and plant products access category	Announcement No.134 of 2019 of the General Administration of Customs	Announcement on Inspection and Quarantine Requirements for Imported Red Pepper from Uzbekistan. Since August 13, 2019, the edible red pepper (<i>Cápsicum ánnuum</i>) planted and processed in the Republic of Uzbekistan has been exported to China, and the products must meet the inspection and quarantine requirements for imported red pepper from Uzbekistan.
	Announcement No.132 of 2019 of the General Administration of Customs	Announcement on Inspection and Quarantine Requirements for Imported Indian Pepper Meal. From July 29, 2019, feed-grade capsicum meal produced in India is allowed to be transported to China. Capsicum meal refers to the by-product of capsanthin and capsaicin extracted from capsicum pericarp by solvent extraction process, and does not contain backfills of other tissues such as capsicum branches and leaves. The product must conform to the relevant provisions of the inspection and quarantine requirements for imported Indian chili meal.
	Announcement No.129 of 2019 of the General Administration of Customs	Announcement on Allowing Imports of Lemons from Tajikistan. Starting from August 1, 2019, Lemons from lemon producing areas in Tajikistan (scientific name <i>Citrus limon</i> , English name Lemon) are allowed to be imported into China. The products must comply with the relevant provisions of the quarantine requirements for imported lemon plants in Tajikistan.
	Announcement No.128 of 2019 of the General Administration of Customs	Announcement on Inspection and Quarantine Requirements for Imported Bolivian Coffee Beans. Since August 1, 2019, Bolivian coffee beans will be allowed to be imported. The roasted and shelled coffee (<i>Coffea arabica</i> L.) seeds (excluding endocarp) grown and processed in Bolivia must also comply with the relevant provisions of the inspection and quarantine requirements for imported Bolivian coffee beans.
	Announcement No.126 of 2019 of the General Administration of Customs	Announcement on Quarantine Requirements for Imported Russian Barley Plants. Starting from July 29, 2019, Barley (<i>Horde um Vulgare</i> L., English name Barley) produced in seven barley producing areas in Russia, including Chelyabinsk, Omsk, New Siberian, Kurgan, Altai, Yalsk and Amur regions, shall be allowed to be imported. The products shall be produced in Russia and exported to China only for processing of spring barley seeds. They shall not be used for planting. At the same time, they shall conform to the relevant provisions of the quarantine requirements for imported Russian barley plants.

Summary of Inspection and Quarantine Policies in August



Category	Announcement No.	Comments
Animal and plant products access category	Announcement No.124 of 2019 of the General Administration of Customs	Announcement on Allowing Soybean Imports across Russia. Starting from July 25, 2019, all production areas in Russia will be allowed to plant Soybeans (scientific name: Glycine max (L.)Merr, English name: soybean) for processing and export to China. the products must conform to the relevant provisions of the plant inspection and quarantine requirements for imported Russian soybeans, corn, rice and rapeseed.
	Announcement No.123 of 2019 of the General Administration of Customs	Announcement on Expanding Russian Wheat Production Areas in China. Since July 25, 2019, the processed spring wheat seeds planted and produced in Kurgan Prefecture of Russia will be increased, and the wheat will not be exported to China for planting purposes. The products must conform to the relevant provisions of the inspection and quarantine requirements for imported Russian wheat plants.
Inspection and quarantine category	Announcement No.122 of 2019 of the General Administration of Customs and the Ministry of Agriculture and Rural Areas	Announcement on lifting the ban on foot-and-mouth disease in parts of South Africa. Starting from July 23, 2019, the ban on foot-and-mouth disease outbreaks in South Africa except Limpopo, Mpumalanga)EHLANZENI and KwaZulu-Natal regions will be lifted.
	Announcement No.132 of 2019 of the General Administration of Customs	Announcement on carrying out random inspection of import and export commodities other than legal inspection commodities in 2019. For the declaration enterprises, before receiving the new declaration requirements under the customs, all the declaration shall be standardized according to the current declaration requirements. In addition, customers should be informed that the customs will increase the range of products to be tested.
Administrative approval	Announcement No.55 of 2019 of the State Food and Drug Administration	Announcement on Cancellation of 16 Certification Items (Second Batch). Among them, for the change of the responsible unit of imported cosmetics, the enterprise is no longer required to submit documents on the spot, but is changed to network verification. For the re-registration and supplementary registration of imported drugs and medicinal materials, enterprises are not required to submit documents, but are instead required to conduct internal verification.

Summary of Inspection and Quarantine Policies in August



Category	Announcement No.	Comments
Administrative approval	State Food and Drug Administration, Ministry of Public Security, State Health Committee No.63 of 2019	Announcement on the inclusion of compound preparations containing oxycodone and other varieties in the administration of psychotropic drugs. From September 1, 2019, compound preparations containing oxycodone base more than 5 mg per dosage unit for oral solid preparations and excluding other narcotic drugs, psychotropic drugs or pharmaceutical precursor chemicals will be included in the first category of psychotropic drugs management. For oral solid preparations, compound preparations containing no more than 5 mg of oxycodone base per dosage unit and not containing other narcotic drugs, psychotropic drugs or pharmaceutical precursor chemicals are included in the management of psychotropic drugs of category II; The compound oral solid preparation of buprenorphine and naloxone is included in the management of category II psychotropic drugs.
	Letter of the General Office of the National Health and Health Commission on Asking for Comments on 43 National Food Safety Standards and 4 Amendment Forms (Draft)	From July 22, 2019 to September 22, 2019, log into the National Food Safety Standards Management Information System (http://bz.cfsa.net.cn/cfsa_aiguo) to submit feedback online
General	No.4 of 2019 of the National Health Committee	Announcement on 19 "Three New Foods" such as Soluble Soybean Polysaccharides 1. 11 New Varieties of Food Additives such as Soluble Soybean Polysaccharides: 1. Widening the Application Scope of Food Additives: Soluble Soybean Polysaccharides, Caramel Color (Ammonia Production), Caramel Color (Common Law), Polyglycerol Ricinolate (PGPR), Capsicum Red, Capsicum Oil Resin, Vitamin E(dl- α - Tocopherol, d- α - Tocopherol, Mixed Tocopherol Concentrate); 2. Expanding the application scope of processing aids for food industry: sodium formate, propionic acid, sodium salt and calcium salt thereof; 3. Expanding the application scope of food nutrition enhancer: galactooligosaccharide (source of whey filtrate); 4. A new variety of enzyme preparation for food industry: Glucose oxidase. Two, sodium acetate and other eight new varieties of food-related products: 1, food contact materials and additives for products to expand the scope of use: sodium acetate, phosphoric acid, potassium dihydrogen phosphate; 2. New varieties of additives for food contact materials and products: polymers of 4,4'- methylene bis (2,6- dimethylphenol) and chloromethyl ethylene oxide; 3. New varieties of resins for food contact materials and products: butyl ether of polymers of formaldehyde and 2- methylphenol, 3- methylphenol and 4- methylphenol, vinyl chloride-vinyl acetate-maleic acid terpolymer, 1,4- cyclohexanedimethanol and 3- hydroxymethylpropane, 2,2- dimethyl -1,3- propanediol, adipic acid, 1,3- phthalic acid and maleic anhydride copolymer, and 4,4'- isopropylidene phenol and formaldehyde polymer.



Part Four

Xinhai News

✘China (Shanghai) Gem and Jade Exchange Center Signed
MOU with Xinhai

China (Shanghai) Gem and Jade Exchange Center Signed MOU with Xinhai



- In order to jointly build a treasure jade trading intelligence supply chain platform, better undertake the overflow effect of the Expo. China (Shanghai) Gem and Jade Trading Center Co., Ltd. signed strategic cooperation agreements with Shanghai Oujian Network Development Group Co., Ltd. and Shanghai Xinhai Customs Brokerage Co., Ltd., and Zhou Xin, general manager of Xinhai signed the contracts on site.
- Zhao Liang, head of the Yangpu Trading Sub-group and deputy district chief; Gong Shunming, Secretary General of the Yangpu Trading Sub-group and Director of the District Commerce Committee; Shi Chen, Deputy Director of the Office of the Secretariat of the Municipal Trade Commission and Deputy Director of the Foreign Trade Development Department of the Municipal Commerce Commission; Ji Guangyu, Shanghai Diamond Gem Trading Joint Management Office; Ge Jizhong, Chairman of Oujian Group, came to witness the signing moment.
- China's Gem and Jade Industry has always adhered to the concept of "science and technology leading and innovative development" and has used the latest real-time tracing, big data, block chain, high-end intelligent technology and other technologies to solve various bottlenecks in the development of the Gem and Jade Industry. Oujian Group and its Xinhai are committed to a one-stop cross-border supply chain integrated service platform with customs clearance as the core, and are one of the largest and most influential customs declaration enterprises in the country. The comprehensive ranking of import and export declaration volume has always been in the forefront of Shanghai ports.

2019

Thanks

