

Customs Clearance News

May

Shanghai XINHAI

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Content

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PART 01

A Brief Analysis on the Tax Policy of Import Tax Reduction and Exemption during the "14th Five-Year Plan"

Notice on Measures for the Administration of Import Tax Policies in Support of Scientific and Technological Innovation during the "14th Five-Year Plan"

No.24 [2021] of the Ministry of Finance and Customs
Valid from January 1, 2021 to December 31, 2025.



Tax-exempt enterprise

For scientific research institutions, technological development institutions, schools, party schools (administrative colleges) and libraries that import scientific research, technological development and teaching supplies that cannot be produced domestically or whose performance cannot meet the demand, import duties and import value-added tax and consumption tax shall be exempted. The value-added tax on the import of books and materials for scientific research and teaching, etc. imported by scientific research institutes, schools, party schools (administrative colleges) and libraries, shall be exempted.



Duty-free products

List management is implemented for duty-free imported goods. The list of duty-free imported goods shall be separately formulated and issued by the Ministry of Finance, the General Administration of Customs and the General Administration of Taxation after consulting the relevant departments, and shall be adjusted dynamically.



Definition of tax-exempt enterprises

Paragraphs 2 to 8 of Article 3 of the Notice explain what "scientific research institutions, technological development institutions, schools, party schools (administrative colleges) and libraries" are in the Notice. The first paragraph of article 3 of the notice explains what is the "scientific research institute" in the notice. The term "publication import entity" refers to a publication import entity with a publication import license approved by the Central Propaganda Department.



Customs supervision

Approved by the customs, the scientific research, scientific and technological development and teaching supplies imported duty-free are used for scientific research, scientific and technological development and teaching activities of other units; The medical testing and analysis instruments and their accessories and supporting equipment imported duty-free may also be used for the clinical activities of the affiliated and affiliated hospitals, or for the clinical activities of the affiliated and affiliated hospitals before separation that are needed for the clinical experiments. The Ministry of Science and Technology and others shall take the lead in approving the list of enterprises meeting the tax reduction and exemption requirements, and notify the customs; The enterprises on the list or those that meet the requirements of this notice shall go through the formalities of tax reduction and exemption for the imported goods at the customs when importing.

Notice on Supporting the Development of Import Tax Policy for Science Popularization during the "14th Five-year Plan"

No.26 [2021] of the Ministry of Finance and Customs
Valid from 1 January 2021 to 31 December 2025

I Import enterprises exempted from tariff and value-added tax

Science and technology museums, natural museums, planetariums (stations, stations), meteorological stations (stations), earthquake stations (stations) that are open to the public, and science popularization bases that universities and scientific research institutions belong to that are open to the outside world

I Duty-free products

Commodities included in the list of duty-free imported commodities related to popular science films and television works (version 2021) and self-used popular science instruments and equipment, popular science exhibits, popular science special software and other popular science articles that cannot be produced in China or whose performance cannot meet the demand (approved, adjusted and announced by the Ministry of Science and Technology together with relevant departments).

I Customs supervision

The import entity shall in accordance with the relevant provisions of the customs, go through the formalities of tax reduction and exemption for the imported goods.

I Implementation of list of enterprises meeting the requirements

The Ministry of Science and Technology and others will take the lead in approving the list of enterprises that meet the tax reduction and exemption requirements and notify the customs.

Notice on the Tax Policy on the Import of Wild Animal and Plant Provenances and Working Dogs for Military and Police Use during the "14th Five-Year Plan"

No.28 [2021] of the Ministry of Finance and Customs
Valid from 1 January 2021 to 31 December 2025

Import enterprises and goods varieties exempted from import value-added tax

Wild animal and plant provenances imported for scientific research, breeding and reproduction from animal and plant research institutes, zoos, botanical gardens, professional animal and plant protection units, farms and plantations that have the conditions for research and breeding, and working dogs, working dog semen and embryos imported from the military, public security and security departments (including anti-smuggling police).

Catalog of wild animal and plant provenance and importing enterprises

The "List of Imported Wild Animal and Plant Provenance Tax-free Commodities" shall be separately formulated and issued by the Forestry and Grass Administration in conjunction with the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, and shall be adjusted dynamically in a timely manner. The importer shall submit an application to the Forestry and Grassland Bureau, which shall take the lead in determining the list of the importer and then notify the General Administration of Customs.

Working dogs, working dogs semen and embryos for military and police use

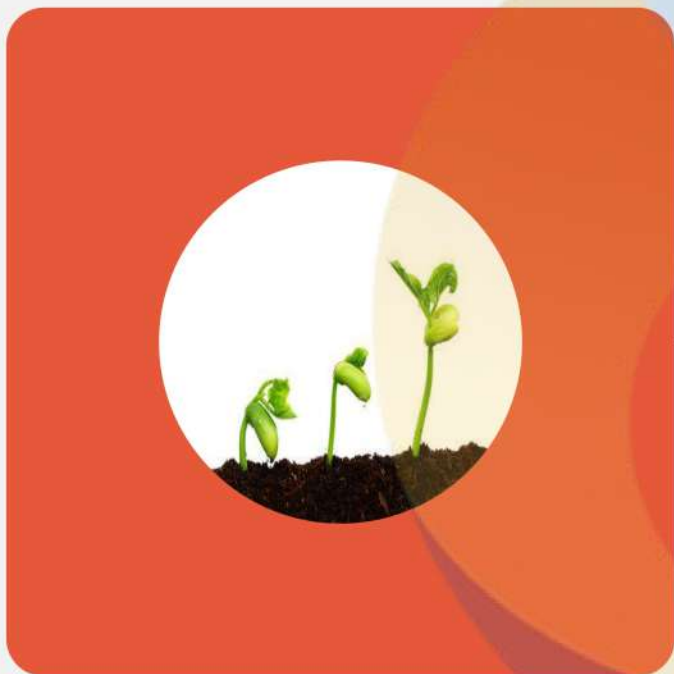
Units applying for duty-free import of working dogs for military and police use (tax code: 01061910), working dog semen (tax code: 05119910) and embryos (tax code: 05119920) shall apply to the Ministry of Public Security, the Ministry of Security or the Political Work Department of the Central Military Commission. After determining the list of import units, the competent authorities shall issue confirmation documents that the working dogs and working dog semen and embryos are within the scope of duty-free. The relevant confirmation documents shall be filed with the General Administration of Customs by the competent authorities.

Customs supervision

The import entity that has obtained the qualification of tax exemption shall, in accordance with the relevant provisions of the customs, go through the formalities for tax reduction and exemption of the relevant species of wild animals and plants and the working dogs used by the military and police.

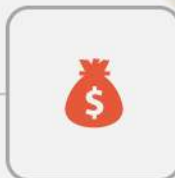
Notice on the Tax Policy of Seed Source Import during the "14th Five-Year Plan"

No.29 [2021] of the Ministry of Finance and Customs
Valid from 1 January 2021 to 31 December 2025



Catalogue of products exempted from VAT in import

Imported seed sources that meet the "List of Goods Exempted from Value-added Tax for Imported Seed Sources" shall be exempted from import value-added tax. The list shall be separately formulated and issued by the Ministry of Agriculture and Rural Affairs in conjunction with the Ministry of Finance, the General Administration of Customs, the State Administration of Taxation and the Forestry and Grassland Administration, and shall be dynamically adjusted according to the development of agriculture and forestry.



Applicable to importing enterprises

Indefinite



Customs supervision

For the seed sources imported under this policy, the customs will no longer conduct subsequent supervision on the specific goods subject to tax reduction or exemption.

Notice on the Import Tax Policy for the Exploration, Development and Utilization of Energy Resources during the "14th Five-Year Plan"

No.17 [2021] of the Ministry of Finance and Customs
Valid from 1 January 2021 to 31 December 2025



Description of goods exempted from import duties and link value-added tax

Articles 1 to 3 of the circular specify which instruments, parts and accessories and special tools are exempt from import duties and import value-added tax. List management shall be separately formulated and jointly issued by the Ministry of Industry and Information Technology in conjunction with the Ministry of Finance, the General Administration of Customs, the State Administration of Taxation and the National Energy Administration.



Customs supervision

The competent unit of the executing unit shall issue the Confirmation Form; The project implementation unit shall apply to the customs for tax reduction and exemption procedures for imported goods in accordance with customs regulations with the "Confirmation Form" and other relevant materials.



Waiver of tax exemption limit

The unit that has obtained the qualification for tax exemption may apply to the competent customs and choose to waive the exemption of value-added tax on the import link and only be exempted from import duties. The relevant unit voluntarily waives the exemption from import value-added tax and may not apply for exemption from import value-added tax again within 36 months.



Which institutions issued the confirmation form

The Ministry of Natural Resources, China National Petroleum Corporation Limited, China National Petroleum and Chemical Corporation Limited, China National Offshore Oil Corporation Limited, China National Offshore Oil Corporation Limited, and the project management units led by the Ministry of Finance for confirmation.



PART 02

Procedures for Handling Administrative Punishment Cases by the Customs—Revised Notes



Procedures for Handling Administrative Punishment Cases by the Customs—Revised Notes

Revised background

Since the 18th National Congress of the Communist Party of China, the strategy of comprehensively governing the country according to law has been further promoted, the basic laws and regulations in the field of administrative law enforcement have undergone profound changes, and major breakthroughs have been made in comprehensively deepening the reform of customs. As the basic rules for regulating customs administrative punishment, the above three regulations must keep pace with the times, make revisions, and actively respond to the needs and expectations of administrative counterparts and grassroots law enforcement personnel for the rule of law.

Measures of the People's Republic of China on Hearing of Customs Administrative Punishment implemented in March 2006 (Order No.145 of the General Administration)

Procedures of the Customs of the People's Republic of China for Handling Administrative Punishment Cases (Order No.159 of the General Administration) implemented in July 2007

Legal source

Regulations of the Customs of the People's Republic of China on Procedures for Handling Simple Cases of Administrative Penalties (General Administration Decree No.188), implemented in April 2010

Revised background

Order No.145 and Order No.159 only modified the text of individual clauses by Order No.218 of the General Administration of Customs in March 2014; Order No.188th of the General Administration of China has been implemented since April 1, 2010 and has not been modified.

Necessity of revision

Procedures for Handling Administrative Punishment Cases by the Customs—Revised Notes

Revised content

Chapters adjustment

This revision has adjusted the overall framework of chapters. The original seven chapters were added to eight chapters, and the current second chapter was divided into four sections. A new chapter "Hearing Procedure" was added as the fourth chapter, which was divided into four sections. The original fourth and fifth chapters were renamed as Chapter 5 "Administrative Treatment Decision" and Chapter 6 "Implementation of Treatment Decision" respectively. At the same time, each chapter was divided into four sections and two sections. The original sixth chapter was renamed as Chapter 7 "Summary Procedure and Quick Handling"



Standardize law enforcement

Eg. Increase or explicitly show the contents of the administrative law enforcement publicity system, such as law enforcement certificates, two-person law enforcement system, administrative penalty implementation information publicity, administrative penalty discretion benchmark disclosure, and major penalty decisions disclosure according to law, accept social supervision, and improve the credibility and transparency of law enforcement.



Enforce the law impartially

Eg. Combining with the practice of customs law enforcement, "less harmful consequences" and "actively cooperate with customs investigation and admit mistakes and penalties" are added as the circumstances of lighter punishment, which embodies the principle of equivalent punishment.



Improve the administrative law enforcement procedures

Eg. Clarify the system of timely accepting and filing a case, informing expert opinions, confirming the delivery address and electronic delivery, inquiring witnesses for convenience, and time limit for handling cases, so as to further protect the legitimate rights and interests of the parties and relevant personnel, and urge the customs to improve the efficiency of handling cases.



Civilized law enforcement

Eg. Adjust the time limit for presenting statements, arguments and hearings to 5 working days, compress the original time limit for organizing hearings and the time limit for refusing hearing review, extend the time limit for hearing applicants, increase the way of oral application for hearings, and further improve the regulations for the third party to participate in hearings.



Innovative law enforcement

Eg. Adjust the original expression of "simple case" to "handle quickly", and add admitting mistakes and penalties as the applicable premise, taking into account the principle of efficient customs law enforcement and priority of parties' rights, and reducing law enforcement disputes.



PART 03

Description of Update of Origin Declaration System



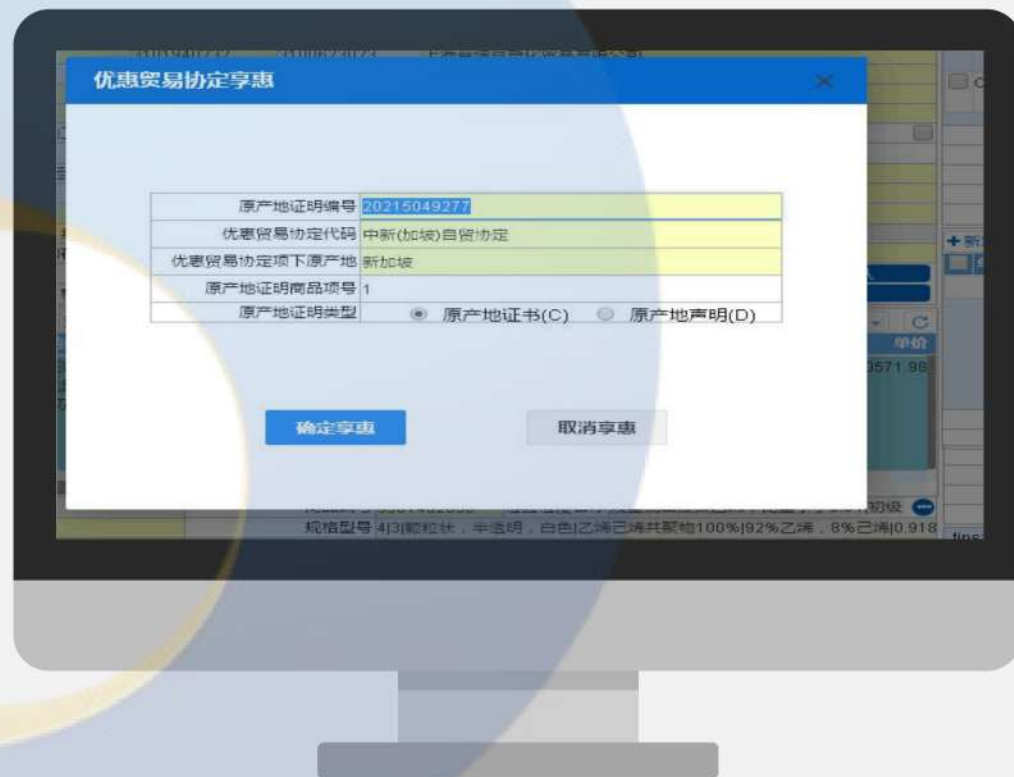
Description of Update of Origin Declaration System

Adjustment of pre-recorded rules of import preferential origin information

According to Announcement No.34 of the General Administration of Customs in 2021, since May 10, 2021, the requirements for filling in and reporting the origin column of import and export goods declaration forms under preferential trade agreements have been adjusted.

Matters needing attention in declaration

- The original "accompanying documents" column is not pre-recorded with the code "Y" and the certificate of origin number.
- For each commodity, fill in the column headed "Preferential Trade Agreement Benefits". If no benefits are involved, click "Cancel Benefits."
- One declaration can only correspond to one certificate/declaration of origin.



Description of Update of Origin Declaration System



From May 10th, the new comprehensive service platform of origin was launched

Log in to "Single Window"-Origin Module-"Certificate of Origin Integrated Service Platform"

- The new system can query historical data and handle new business
- When applying for the certificate of origin from the customs through the "Internet + Customs" integration platform, the "single window" of China's international trade, the "single window" import client and other official customs declaration channels, if there is any abnormal declaration of the certificate or abnormal receipt reception, the customer service hotline 95198 or 12360 can be called in time.



PART 04

Analysis of the new CIQ policies in May



Analysis of the new CIQ policies in May

Category	Announcement No.	Comments
Supervision of animal and plant products	Announcement of the General Administration of Customs No.36 of 2021	Announcement on quarantine requirements for pomegranate plants imported from Uzbekistan. Since April 25, 2021, Uzbekistan pomegranates that meet relevant requirements are allowed to be imported. Pomegranate produced in pomegranate producing areas of Uzbekistan is allowed to be imported under the scientific name <i>Punica Granatum L.</i> and English name Pomegranate. The announcement regulates the registration requirements of orchards and packaging factories, inspection and quarantine requirements, packaging requirements, certificate requirements and follow-up supervision.
	Announcement No.35 of the General Administration of Customs and the Ministry of Agriculture and Rural Affairs in 2021	Announcement on preventing highly pathogenic avian influenza from Mali from being introduced into China. Since April 26, 2021, it is forbidden to import poultry and related products directly or indirectly from Mali, including products originating from unprocessed poultry or processed poultry that may still spread epidemic diseases.
	Announcement No.32 of the General Administration of Customs and the Ministry of Agriculture and Rural Affairs in 2021	Announcement on preventing Bolivian Newcastle disease from being introduced into china. Since April 19, 2021, it is forbidden to import poultry and related products directly or indirectly from La Paz province, Bolivia, including products from poultry that are unprocessed or processed but may still spread epidemics.
	Announcement of the General Administration of Customs No.31 of 2021	Announcement on inspection and quarantine requirements of imported Laos fresh beans. From April 19th, 2021, Laos fresh soybean, kidney bean and cowpea which meet the inspection and quarantine requirements are allowed to be imported. The announcement includes the requirements of production enterprises, phytosanitary requirements, phytosanitary certificate requirements, food safety requirements, packaging requirements and the registration of the General Administration of Customs of production enterprises.

Analysis of the new CIQ policies in May

Category	Announcement No.	Comments
Supervision of animal and plant products	Announcement No.413 of the Ministry of Agriculture and Rural Affairs and the General Administration of Customs	Since April 9th, 2021, five pests, such as tomato brown wrinkle virus, corn dwarf mosaic virus, potato stripe virus, milk ear snail and rose snail, have been added to the List of Quarantine Pests of Imported Plants of the People's Republic of China. All customs and local agricultural and rural departments should earnestly do a good job in the entry inspection and quarantine and epidemic monitoring of host plants and other limited objects, and once the above-mentioned harmful organisms are found, quarantine measures should be taken according to law.
Import and export food supervision	Announcement of the General Administration of Customs No.33 of 2021	Announcement on inspection and quarantine requirements for imported Bulgarian honey. Since April 25th, 2021, Bulgarian honey that meets relevant requirements is allowed to be imported. Bulgarian honey allowed to be imported refers to natural sweet substances that bees collect nectar, secretions or honeydew from plants, mix them with their own secretions, and fully brew them. The announcement regulates the requirements of processing enterprises, inspection and quarantine, packaging, certificate and storage and transportation.
	National Health Commission (No.5 of 2021)	The Announcement on Six Kinds of "Three New Foods", such as β -1,3/ α -1,3- glucan, announced four kinds of new food raw materials, namely β -1,3/ α -1,3- glucan, dihydroquercetin, Lactobacillus rhamnosus MP108 and Pseudococcinella; There are two new varieties of food additives, protease and phosphoinositide phospholipase C ..
Import and export approval	No.51 [2021] of the State Council	Reply of the state council on agreeing to carry out the pilot project of retailing imported drugs in cross-border electronic commerce in Henan province. According to the reply, the probation period is within 3 years from the date of reply. The pilot varieties are 13 over-the-counter drugs that have obtained the listing license in China. Regarding the drugs included in the pilot catalogue, they shall be implemented in accordance with the relevant policies of retail import and export commodities in cross-border electronic commerce. In addition, if the relevant conditions are met, the value-added tax and consumption tax on import links will be temporarily levied at 70% of the statutory tax payable.

Analysis of the new CIQ policies in May

Category	Announcement No.	Comments
Import and export approval	National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Ecology and Environment, Ministry of Transport, Ministry of Commerce, General Administration of Customs, General Administration of Market Supervision, China Banking and Insurance Regulatory Commission and other eight ministries and commissions issued (NDRC [2021] No.528)	Notice on Printing and Distributing the Interim Measures for Standardized Management of Remanufacturing of Auto Parts Remanufacturing refers to the process of professionally repairing or upgrading old auto parts that are no longer used due to functional damage or technical elimination, so that their quality characteristics, safety and environmental protection performance are not lower than those of prototype new products. There are eight chapters and thirty-six articles in the Measures, which clearly stipulate the standard conditions, old parts recovery management, remanufacturing production management, remanufacturing product management, remanufacturing market management, supervision and management, etc. The method highlights the following aspects: First, remanufactured products are required to strictly benchmark new prototype products. The second is to standardize the production behavior of remanufacturing enterprises. According to the measures, remanufacturing enterprises should meet the following conditions: First, they must have technical equipment and capabilities in dismantling, cleaning, manufacturing, assembly, and product quality inspection; Second, it is necessary to have the technical means and ability to detect and identify the performance indicators of old parts; Third, it is necessary to have corresponding pollution prevention and control facilities and capabilities, and meet environmental protection requirements such as related waste treatment, and achieve pollutant discharge standards; Fourth, it is necessary to establish and implement relevant technical quality standards and production specifications for product remanufacturing; The fifth is to make public commitments to the society, including product quality and performance, after-sales warranty, and logo use; Sixth, the types of products to be remanufactured should meet the requirements of relevant national laws and regulations; Seventh, it is necessary to comply with national laws and regulations and other conditions stipulated by relevant competent departments. In addition, the state encourages existing remanufacturing enterprises to upgrade their quality, gather and develop, and enhance the level of industrialization and standardization. Encourage remanufacturing enterprises to carry out remanufacturing quality management system certification. Remanufacturing enterprises should actively adopt international advanced quality management standards to improve their management level.
	Issued by the State Food and Drug Administration (No.62 of 2021)	The announcement of the Catalogue of Used Cosmetic Raw Materials (2021 Edition), which revised the Catalogue Name of Used Cosmetic Raw Materials (2015 Edition) and formed the Catalogue of Used Cosmetic Raw Materials (2021 Edition), which will take effect on May 1, 2021.
	National Development and Reform Commission (Announcement No.4, 2021)	Announcement on Issuing Import Quota of Cotton Tariff Quota and Preferential Tariff Rate in 2021 This time, the quota for cotton import in sliding duties is 700,000 tons, all of which are non-state-owned trade quotas. Among them, 400,000 tons are limited to import by processing trade; 300,000 tons is not limited to trade mode, and enterprises that have obtained quotas can choose to determine the trade mode by themselves when applying for quota certificates. Enterprises can apply for the quota of processing trade or the quota of unlimited trade mode separately or at the same time. From May 6 to May 18, 2021, the applicant enterprise shall submit the application materials to the entrusted institutions (provinces, autonomous regions, municipalities directly under the Central Government and cities with separate plans, and the Development and Reform Commission of Xinjiang Production and Construction Corps) where it is registered.

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