

China Customs Notice 36

The following is an English translation of Customs Notice Number 36 issued by the General Administration of China Customs and should be used as a reference only. The official Notice can be found on China Customs website (www.customs.gov.cn) in Chinese.

In accordance with Article 29 of the *Provisions of the Customs of the People's Republic of China on the Administration of Origin for Preferential Treatment of Imported and Exported Commodities* (Decree No. 181 of the General Administration of Customs of the People's Republic of China), we hereby make the following announcement regarding matters concerning the agreed or preferential tariff applied to commodities for Home Consumption from Special Customs Controlled Areas (hereinafter referred to as the "Area") and Bonded Warehouse Areas (hereinafter referred to as the "Warehouses") as follows:

1. To apply for agreed or preferential tariff rates on imported commodities for home consumption on goods that have utilized the Areas / Warehouse process, the consignee or agent (hereinafter collectively referred to as the "Importer") shall fill out an 'import declaration form' for imported commodities' or an 'exit/entry recording list for Bonded Warehouses in accordance with the *Measures on Import and Export Goods Declaration Forms of the Customs of the People's Republic of China*'. When lodging the import declaration both a paper and e-data declaration are to be completed when first declaring that these imported goods are to utilize the Area / Warehouse process. At the same time, the importer must advise / apply to the nearest Customs office, where the Area / Warehouse is located (hereinafter referred to as the "Local Customs", that they wish to utilize the Home Consumption process and submit the following documents:

- i. Valid original Certificate of Origin or Statement of Origin;
 - ii. Commercial and transport documents;
 - iii. *Registration Form of Application for Home Consumption of Commodities in the Area / Warehouse under the Preferential Trade Agreement* (see Appendix I for the sample format), hereinafter referred to as the “Registration Form”.
 - iv. Other supporting documents that are deemed as necessary by the Local Customs.
2. If the Certificate of Origin (statement of origin) is accepted as true and valid and commodities are imported “in the same consignment” and meet the requirements on “direct transportation” the Local Customs shall endorse the original certificate of origin (statement of origin), and note the *Registration Form*. At the same time, the Local Customs shall stamp a single seal across the edges of both the original certificate of origin (statement of origin) and the *Registration Form* before returning the same to the Importer. This may be accepted as evidence that the Local Customs has accepted the Importer’s application to utilize the Home Consumption facility to enter goods and claim the agreed or preferential duty rates.

The Local Customs may detain and verify the validity of the original Certificate of Origin (Statement of Origin) or undertake enquiries where there is doubt of the authenticity of the document or that the commodities do not qualify under the claimed Preferential Trade Agreement. In the interim the Local Customs shall complete the *Registration Form* and stamp a single seal to cover the edges of both a duplicate of the original certificate of origin (statement of origin) and the *Registration Form* and return them to the Importer.

If an Importer fails to submit a Certificate of Origin when applying for the Home Consumption sale process of imported commodities using Areas / Warehouses for the

first time due to *'force majeure'*, the Importer can make a *supplementary declaration on the place of origin* for the same commodities as per relevant Customs regulations. On these occasions the Local Customs shall fill out the *Registration Form* and stamp a single seal to cover the edges of both the duplicate of the *supplementary declaration on the place of origin* and the *Registration Form* before returning them to the Importer.

3. When the Importer wishes to remove all the imported consignment for Home Consumption in a single transaction they should complete the "To be Filled Out by Enterprises" column on the *Registration Form* and the Declaration Form for imported commodities as required in the *Regulations of the Customs of the People's Republic of China on Filling out Declaration Forms for Imported and Exported Commodities*. These should be submitted to the Local Customs together with the relevant documents that have had the seals stamped on the edges as mentioned in Article 2. Once verified and accepted by the Local Customs the relevant agreed or preferential tariffs will be applied. The Local Customs will withdraw the original certificate of origin (statement of origin) and the *Registration Form*.

Where the importer applies to clear the imported consignment using multiple Home Consumption declarations the Local customs will, at the time the first Home Consumption declaration is lodged, take back the original certificate of origin (Statement of Origin) and sign and stamp a seal on the *Registration Form*. The Local Customs will also stamp a single seal that will cover the edges of both the duplicate Certificate of Origin (statement of Origin) and the *Registration Form* before returning them to the to the importer. After the total consignment on the Certificate of origin (Statement of Origin has been cleared or the last Home Consumption application has been made the Importer shall provide the original *Registration Form* over to the Local Customs.

4. In the circumstances where the importer is unable to provide the required Certificate of Origin or an external verification of the country of origin is being

undertaken and a Home Consumption application is lodged, the importer shall apply to the Local customs for a 'clearance by bond'. The Local Customs, according to the relevant regulations, may collect a bond equivalent to any duties payable, as per the relevant regulations and then complete clearance formalities.

If within six months, the Importer provides the required Certificate of Origin (Statement of Origin) or the place of origin is verified as correct and the agreed or preferential tariff rate is confirmed, the Local Customs will approve any refund or transfer of any bond, if applicable.

5. On the date that this announcement comes into effect, the six Customs areas directly under the control of the General Administration of Customs, namely; Tianjin, Shanghai, Nanjing, Qingdao, Guangzhou, and Shenzhen Customs are permitted to accept Home Consumption applications for agreed or preferential tariffs on commodities cleared using Areas / Warehouses under their jurisdiction. Matters relating to applications for agreed or preferential rates of duties in regards to multiple Home Consumption declarations under the jurisdiction of other Customs areas will be announced by the General Administration of Customs at a later date.

Any Customs office may accept and approve a single Home Consumption application that relates to a complete consignment that has utilized Areas / Warehouses. When this occurs the provisions of this paragraph do not apply.

Matters relating to the application of agreed or preferential tariffs on commodities for Home Consumption that are transferred between Customs offices will be announced by the General Administration of Customs at a later date.

6. Agreed or preferential tariffs shall not apply to Home Consumption sales from Areas / warehouses under the following circumstances:
 - i. The Importer fails to apply to the Local Customs for the Home Consumption

process or its application is not approved when it declares the commodities in the Area / Warehouse for the first time.

- ii. The documents submitted by the Importer when applying for Home Consumption of the commodities do not have the stamped seal by the Local Customs on the edges.
 - iii. The validation date of the relevant Certificate of Origin has expired prior to the goods being approved for Home Consumption. The validation of Certificates of Origin expire after twelve months from the date of issue of the Certificate of Origin.
 - iv. The imported goods, at the time they are entered for Home Consumption, are considered to have exceeded the scope of minor processing or treatment stated in the origin management measures under relevant preferential trade agreements.
 - v. Other circumstances determined by Customs.
7. When applying for Home Consumption of imported commodities, the Importer shall print out and supply a copy of the *Registration Form of A4 size paper*, in the same format as shown in Appendix I. The Importer shall adjust the number of lines for “Items” in the *Registration Form* to match the number of different types of commodities to be actually sold domestically. The Importer shall also print enough copies of the *Registration Form* according to the predicted number of Home Consumption declarations and indicate the total pages therein. A single Customs seal will be placed across a part of the edge of all copies of the *Registration Form*.
8. In this Announcement, commodities imported “in the same consignment” refer to imported commodities that are transported together by the same conveyance, are described on the same bill of lading, to the same port and delivered to the same Consignee. Commodities will still be considered to be in the same consignment if they have to be transported in separate consignments for logistical reasons, prior to

arriving at the China Customs border or port.

This Announcement shall come into effect on the 08 July 2013.

This Announcement is hereby made.

Appendix: *Registration Form of Application for Domestic Sale of Commodities in the Area (Venue) under the Preferential Trade Agreement (Sample Format)*

Appendix 1

Registration Form of Application for Home Consumption from Customs Special Controlled Areas or Bonded Warehouses under the Preferential Trade Agreement (Sample Format)

In the Area / Warehouse for the First Time						
Date of Arrival in Warehouse / Area				Examination of the Origin		
Applicant				Certificate of Origin No.		
Declaration No. in Area / Warehouse				<input type="checkbox"/> External Verification of the Origin		
List for the Record No. in Area / Warehouse				<input type="checkbox"/> No Certificate of Origin submitted		
To Be Filled out by Enterprises (for Home Consumption Sale)						For Customs Official Use Only
Date of Home Consumption Sale	Declaration No. Beyond Area/Warehouse	Items	Commodities	Imported Quantity and Unit	Remaining Quantity	

To Be Filled out by Enterprises (for Domestic Sale)						For Customs Official Use Only
Date of Home Consumption Sale	Declaration No. Beyond Area / Warehouse	Items	Commodities	Imported Quantity and Unit	Remaining Quantity	