
REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA ON IMPORT AND EXPORT DUTIES

The present Regulations shall come into force as of January 1st, 2003 and the Regulations of the People's Republic of China on Import and Export Duties amended and promulgated by the State Council on March 18th, 1992 shall be repealed simultaneously.





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Chapter I General Provisions

Article 1.

With a view to implementing the policy of opening to the outside world, promoting the development of foreign economic relations and trade as well as the national economy, the present Regulations are formulated in accordance with the Customs Law of the People's Republic of China (hereinafter referred to as the Customs Law).

Article 2.

All goods permitted to be imported into or exported out of and all articles allowed to enter into the People's Republic of China shall, unless otherwise provided for by the State Council, be subject to payment of customs duties on imports or exports according to the present Regulations.

Article 3.

The tariff items, tariff nomenclature heading numbers and tariff rates as prescribed in the Customs Import and Export Tariffs of the People's Republic of China (hereinafter referred to as the Tariffs) and the Import Tariff Rates of the People's Republic of China for Entry Articles (hereinafter referred to as the Import Tariff Rates for Entry Articles) which are formulated by the State Council shall form an integral part of the present Regulations.

Article 4.

The Customs Tariff Commission shall be established by the State Council. The Customs Tariff Commission shall be responsible for readjusting and interpreting tariff items, tariff nomenclature heading numbers and tariff rates in the Tariffs and the Import Tariff Rates for Entry Articles, which shall take effect upon the approval of the State Council; it makes decisions on the goods subject to temporary tariff rates, the tariff rates and time limit; it makes decisions on the rate of tariff quota, the imposition of antidumping duties, countervailing duties, duty under safeguard measures, retaliatory duties; makes decisions on the implementation of other measures in relation to customs duties and the application of tariff rates under special circumstances, and exercises the other functions as provided for by the State Council.

Article 5.

The consignees of imported goods, the consignors

of exported goods and the owners of entry articles are obligatory customs duty payers.

Article 6.

The customs and the functionaries shall, according to the statutory powers and legal procedures, exercise their functions of collecting the customs duties, safeguard the interests of the state, protect the legitimate rights and interests of the customs duty payers, and accept supervision pursuant to law.

Article 7.

Any customs duty payer shall have the right to request the customs office to keep its commercial secrets to itself, and the customs shall do so pursuant to law.

Article 8.

According to relevant regulation, the customs shall award the entities and individuals who disclose or help to find the acts in violation of the present Regulations.

Chapter II Establishment and Application of Tariff Rates for Import and Export Goods

Article 9.

Import tariffs cover the most-favored-nation tariff rate, conventional tariff rate, preferential tariff, general tariff rate and quota tariff rate, etc. Temporary tariff rates may be applied to import goods within a certain time limit.

Export tariff rates are set up in export duties. Temporary tariff rates may be applicable to export goods within a certain time period.

Article 10.

The most-favored-nation tariff rate shall be applied to the import goods whose place of origin is a member of the WTO, to whom the clause of the most-favored-nation is commonly applied, and the import goods whose place of origin is a country or region that has established with the People's Republic of China a bilateral trade agreement that contains clauses reciprocal most-favored-nation treatment, and the import goods whose place of origin is within the territory of the People's Republic of China. The conventional tariff rate shall be applied to the import goods whose place of origin is a country or

region that has concluded with the People's Republic of China a trade agreement that contains clauses of preferential duty.

The special tariff rate shall be applied to the import goods whose place of origin is a country or region that has concluded with the People's Republic of China a trade agreement that contains clauses of special preferential duty.

The general tariff rate shall be applied to the import goods except those as listed in Paragraphs 1 through 3 of this Article and the import goods whose place of origin is unknown.

Article 11.

Where a temporary tariff rate is set up for the import goods, to which the most-favored-nation tariff rate applies, the temporary tariff rate shall prevail. With regard to the import goods to which the conventional tariff rate or the preferential tariff rate applies, the lower one shall prevail. As for the import goods to which the general tariff rate applies, the temporary tariff rate shall not apply.

Where a temporary tariff rate is set up for the export goods, to which the export tariff rate applies, the temporary tariff rate shall prevail.

Article 12.

As for the import goods subject to tariff quota management according to the provisions of the state, for those within the tariff quota, the quota tariff rate shall be applied; and for those beyond the tariff quota, the applicable tariff rates shall be carried out in accordance with Articles 10 and 11 of the present Regulations.

Article 13.

As for the import goods, against which antidumping, countervailing or safeguard measure are taken according to relevant laws and administrative regulations, the applicable rates shall be carried out in accordance with the Antidumping Regulations of the People's Republic of China, the Countervailing Regulations of the People's Republic of China and the Regulations on Safeguard Measures of the People's Republic of China.

Article 14.

As for a country or region that prohibits, limits, imposes additional duties or takes any other measures that affect the normal trade with the People's Republic of China in violation of the trade agree-

ment or relevant convention concluded with the People's Republic of China or both parties have joined, a retaliatory duty may be imposed on the import goods whose place of origin is the country or region, and the retaliatory duty rate shall be applied. The goods, applicable countries or regions, duty rates, time limits and collection measures shall be determined and announced by the Customs Tariff Commission.

Article 15.

As for the import and export goods, the valid tariff rate of the day when the customs accepts the import declaration or export declaration shall be applied.

Where an import declaration is filed before the import goods arrives upon the approval of the customs, the valid tariff rate of the day when an entry declaration is filed for the means of transportation that carries the goods shall be applied.

The date of the application of the tariff rate for transit goods shall be separately provided by the Customs General Administration.

Article 16.

When it is required to pay duties under any of the following circumstances, the tariff rate of the day when the customs accepts the declaration and handles the formalities for the payment of duties shall be applied:

(1) Where, upon approval, the bonded goods are not to be re-carried out of China;

(2) Where the goods that enjoy exemption or reduction of duties are transferred to others or whose purpose of use is changed upon approval;

(3) Where, upon approval, the goods that are allowed to enter into China temporarily are not to be re-carried out of China and where, upon approval, the goods that are permitted to exit China temporarily are not to be re-carried into China;

(4) Where the import goods are leased and the duties are paid by installments.

Article 17.

The applicable tariff rates for the makeup or refund of import or export duties shall be determined according to Article 15 or Article 16 of the present Regulations.

Where an obligatory duty payer is required to pay a duty due to violation of the present Regulations, the tariff rate of the day when the violation occurs shall be applied. If it is unable to determine the exact day when the violation arises, the tariff rate of the day when the customs discovers the violation shall be applied.

Chapter III Determination of Dutiable Value for Import and Export Goods

Article 18.

The dutiable value for import goods shall be examined and determined by the customs on the basis of the transaction value in accordance with the requirements as prescribed in the Paragraph 3 of this Article, and the freight, the associated expenses and the insurance premiums incurred prior to the arrival and unloading of the goods at the destination within the People's Republic of China.

The term "transaction value of import goods" means the actual total amount of the price, covering the direct payments and indirect payments, that the buyer within the territory of the People's Republic of China shall pay the seller for the goods after readjustments have been made according to Articles 19 and 20 of the present Regulations.

A transaction value of import goods shall meet the following conditions:

(1) There is no limitation to the disposal and use of the buyer except for the limitations as prescribed in the laws and administrative regulations, the geographic limitation on the resale of goods and those without material impact on the price of goods;

(2) It isn't unable to determine the transaction value of the goods because of tied sale or other factors;

(3) The seller shall not directly or indirectly get any yields from the resale, disposal or use of the goods after import, or the seller may have some yields, but adjustments may be made according to Article 19 or 20 of the present Regulations.

(4) There is no special relationship between the buyer and seller, or although there is any, it does not affect the transaction value.

Article 19.

The following expenses on import goods shall be

included into the dutiable value:

(1) The commission and brokerage other than the commission on the purchase of goods that shall be paid by the buyer;

(2) The expenses that shall be paid by the buyer for the containers that are considered as an integrated part of the goods when the dutiable value is examined and determined;

(3) The expenses for packing materials and packing labor shall be paid by the buyer;

(4) The value of the materials, tools, moulds, consumable materials and like goods that are related to the production of the goods and the sale within the territory of the People's Republic of China and that are provided by the buyer gratuitously or at a price lower than the costs and may be apportioned in accordance with a reasonable rate, and the expenses of relevant expenses such as the development and design outside China, etc.;

(5) The franchise royalties in relation to the goods that shall be paid by the buyer as a precondition for the sale of goods within the territory of the People's Republic of China;

(6) The yields directly or indirectly obtained by the seller from the resale, disposal or use of the goods after import.

Article 20.

The following duties, taxes, and expenses specified in the price of the goods in the process of import shall not be included into the dutiable value of the goods hereof:

(1) The expenses of construction, installation, assembly, maintenance and technical services after importing such goods as workshops, machines, and equipments, etc.;

(2) The freight and related expenses and insurance premiums after the arrival and unloading of the import goods at the destination within the People's Republic of China;

(3) Import duties and domestic taxes.

Article 21.

Where the transaction value of the import goods doesn't meet the requirements as prescribed in Paragraph 3 of Article 18 of the present Regulations, or the transaction value is unable to be determined, the customs shall assess the dutiable value of the goods according to the following values arranged in descending order of precedence after it has learnt of relevant information and negotiated with the obligatory duty payer about the price:

(1) The transaction price of the identical goods sold to a buyer within the territory of the People's Republic of China at the same time or nearly at the same time;

(2) The transaction price of the like goods sold to a buyer within the territory of the People's Republic of China at the same time or nearly at the same time;

(3) At the same time or nearly at the same time when the goods is imported, the unit price of the import goods, the identical or like import goods in the maximal quantity sold to the buyer without special relationship in the first link of distribution, in which the items as listed in Article 22 of the present Regulations shall be deducted;

(4) The price calculated according to the summation of the items, including the costs of the materials in producing the goods, and the processing expenses, the general profit and the general expenses in selling goods of the same grade or like goods to a buyer within the territory of the People's Republic of China, the freight, the associated expenses and the insurance premiums incurred prior to the arrival and unloading of the goods at the destination within the territory of the People's Republic of China;

(5) The price assessed by any other reasonable method.

After the obligatory duty payer has submitted relevant materials to the customs, it may apply to the customs for reversing the applicable order of precedence between Items 3 and 4 of the preceding paragraph.

Article 22.

With regard to the dutiable value assessed in accor-

dance with the Item 3 of Paragraph 1 of Article 21 of the present Regulations, the items that shall be deducted refer to:

(1) The general profit, expenses and commission of the first link of distribution of the goods of identical grade or like goods sold to the buyers within the territory of the People's Republic of China;

(2) The freight, the associated expenses and the insurance premiums after the arrival and unloading of the import goods at the destination within the territory of the People's Republic of China;

(3) Import duties and domestic taxes.

Article 23.

As for the goods imported by means of lease, the rent of the goods as verified and determined by the customs shall be the dutiable value.

The obligatory duty payer, who requests to pay the duty in a lump sum, may choose to have the dutiable value assessed according to Article 21 of the present Regulations or to deem the total amount of rent as verified and determined by the customs as the dutiable value.

Article 24.

As for the goods carried abroad for processing, in case they are declared to the customs and re-carried into China within the time limit as specified by the customs, the dutiable value shall be verified and determined on the basis of the overseas processing fees, the costs of the spare parts and raw materials used, and the freight, the associated expenses and the insurance premiums for re-carrying the goods into China.

Article 25.

As for the machines, tools, means of transportation or any other goods carried abroad for maintenance, in case they are declared to the customs and re-carried into China within the time limit as specified by the customs, the dutiable value shall be verified and determined on the basis of the overseas maintenance fees and the costs of the spare parts and raw materials used.

Article 26.

The dutiable value of export goods shall be examined and determined by the customs on the basis of

the transaction value of the goods, and the freight, the associated fees and insurance premiums incurred prior to the arrival and unloading of the goods at the destination within the territory of the People's Republic of China.

The transaction value of export goods refers to the total amount of the price that shall be directly or indirectly paid by the buyer to the seller for the export goods.

Export duties shall not be included into the dutiable value.

Article 27.

Where the transaction value of the export goods is unable to be determined, the customs shall assess the dutiable value of the goods according to the following prices arranged in descending of precedence after it has learnt of relevant information and negotiated with the obligatory duty payer about the price:

(1) The transaction price of the identical goods exported to the same country or region at the same time or nearly at the same time;

(2) The transaction price of the like goods exported to the same country or region at the same time or nearly at the same time;

(3) The price calculated in accordance with the summation of the items, including the domestic costs of the materials in producing the identical or like goods and the processing expenses, the general profit and the general expenses, and the freight, associated expenses and insurance premiums incurred within China;

(4) The price assessed by any other reasonable method.

Article 28.

The costs, expenses, duties and taxes that are included into or excluded from the dutiable value according to the present Regulations shall be based on objective and quantifiable data.

Chapter IV The Collection of Import and Export Duties

Article 29.

An obligatory duty payer of import goods shall, within

14 days as of the day when the means of carriage declares for entry, submit a declaration to the customs office of the place of entry. An obligatory duty payer of export goods shall, unless approved otherwise by the customs office, submit a declaration to the customs office of the place of exit after the goods arrive at the administrative area of the customs but 24 hours prior to the loading of goods. With regard to the transit import and export goods, the regulations of the Customs General Administration shall be implemented.

Prior to the arrival of the import goods, the obligatory duty payer may submit a declaration in advance upon approval of the customs. The specific measures shall be separately formulated by the Customs General Administration.

Article 30.

An obligatory duty payer shall, according to the law, faithfully file a declaration to the customs and provide the materials required for determining the dutiable value, classifying the commodities, determining the place of origin and taking antidumping, countervailing or safeguard measures. If necessary, the customs may demand the obligatory duty payer to make supplementary declarations.

Article 31.

An obligatory duty payer shall, according to the table of contents, stipulations, the general principle of classification, category notes, chapter notes, subheading notes and any other classification notes, classify the import or export goods that it declares, and put them under the corresponding tariff nomenclature heading numbers. The customs shall examine and determine the commodity classification of the goods pursuant to law.

Article 32.

The customs may demand an obligatory duty payer to offer relevant materials required for determining the classification of the commodities. If necessary, the customs may organize laboratory tests and inspections, and take the results of test and inspection as the basis of determining the classification of the commodities.

Article 33.

For the purpose of examining the authenticity and exactness of the declared value, the customs may inquire into and copy the contracts, invoices, ac-

count books, evidences of settlement and payment vouchers, instruments, business letters and telephones, audio-visual products and other materials reflecting the relationship between the buyer and seller and the transactions involved.

Where the customs is doubtful about the declared value of an obligatory duty payer and if the amount of the duty involved is quite large, the customs may, upon the approval of the director of the customs directly under the Customs General Administration or of the authorized director of its subordinate customs, inquire into the fund flow reflected in the accounts opened by the obligatory duty payer in the banks or any other financial institutions on the strength of the assistance inquiry account notice in a uniform format of the Customs General Administration and the employees' cards of the relevant functionaries, and shall inform the banking regulatory institutions of the relevant information.

Article 34.

The customs office, that is doubtful about the price declared by an obligatory duty payer, shall notify the obligatory duty payer the reasons in writing, and demand it to make written explanations or provide relevant materials within a prescribed time limit.

In case the obligatory duty payer fails to make any explanation or provide relevant materials within the specified time limit, or it is still reasonable for the customs to be doubtful about the authenticity and exactness of the declared value, the customs may refuse to accept the value as declared by the obligatory duty payer, and may assess the dutiable value according to Chapter III of the present Regulations.

Article 35.

After the customs has examined and determined the dutiable value of the import or export goods, the obligatory duty payer may request the customs, in writing, to make written explanations about how to determine the dutiable value of the import or export goods. The customs shall make explanations in writing to the obligatory duty payer.

Article 36.

The import and export duties may be collected by ad valorem or by quantity or by any other means as provided by the state.

If collected by ad valorem, the formula is: Payable

Duties = Dutiable Value × Tariff Rate

If collected by quantity, the formula is: Payable Duties = Quantity of Goods × Unit Duty Value

Article 37.

An obligatory duty payer shall pay the duties in the designated bank within 15 days as of the day when the customs fills in and issues a duty payment form. In case it fails to pay the duties within the time limit, it shall pay a late fee of 0.05% of the amount of the defaulted duties per day as of the day when the duties are in default.

The customs may make an announcement about the information of the obligatory duty payers who default the duties.

The customs shall issue receipts when collecting customs duties and late fees. The formats of the receipts shall be formulated by the Customs General Administration.

Article 38.

The customs duties and late fees shall be calculated and collected in terms of RMB.

Where the transaction value of import or export goods and the associated expenses are calculated in terms of a foreign currency, the dutiable value shall be calculated by converting the transaction value and the associated expenses into RMB in accordance with the basic exchange rate announced by the People's Bank of China. Where the transaction value of import or export goods and the associated expenses are calculated in terms of a foreign currency beyond the scope of foreign currencies of basic exchange rate, the dutiable value shall be calculated by converting them into RMB according to relevant regulation of the state. The date of the applicable exchange rate shall be provided by the Customs General Administration.

Article 39.

Where an obligatory duty payer fails to pay the duties because of force majeure or the change of duty policies of the state, it may, upon approval of the Customs General Administration, extend the time limit for the payment of the duties, but the extended period shall not exceed 6 months.

Article 40.

Where any clear evidence shows that an obligatory duty payer of import or export goods transfers or conceals the dutiable goods or other properties du-

ring the time period for paying duties, the customs may order the obligatory duty payer to provide a guaranty. Where the obligatory duty payer fails to provide a guaranty, the customs may take duty preservation measures according to Article 61 of the Customs Law of the People's Republic of China. In case the obligatory duty payer or the guarantor still fails to pay the duties 3 months after the expiration of time limit for paying the duties, the customs may take mandatory measures according to Article 60 of the Customs Law.

Article 41.

As for the materials imported for processing trade, if they are imported under the provisions of the state on bonded imports, and in case the finished products or the import materials fail to be exported within the specified time limit, the customs shall collect import duties according to relevant provisions.

Where import duties are paid for the materials imported for processing trade when they enter into the territory of China according to the provisions of the state, and the finished products or the import materials are exported within the specified time limit, the customs shall refund the duties collected on entry.

Article 42.

Any of the following goods permitted to enter or exit China temporarily by the customs, in case the obligatory duty payer shall pay the customs office a sum of caution money equivalent to the value of the duties payable or provides other guaranty, it may be allowed not to pay the duties for the time being, but shall re-carry the goods into or out of China within 6 months as of the day of entry or exit. Upon the application of the obligatory duty payer, the customs may extend the time limit for re-carrying the goods out of or into China according to the provisions of the Customs General Administration.

(1)The goods exhibited or used in exhibitions, trade fairs, meetings and other similar activities;

(2)The articles used in performances or competitions in cultural or sports exchange activities;

(3)The instruments, equipment and articles used in making news reports or in producing films or TV programs;

(4)The instruments, equipment and articles used in scientific research, teaching or medical activities;

(5)The means of transport and special vehicles used in the activities as listed in Paragraphs 1 - 4 of this Article;

(6)The samples of goods;

(7)The instruments and tools used in installing, trial running and testing equipment;

(8)The containers of the goods; and

(9)Other goods used for non-commercial purposes.

Where the goods permitted to enter China temporarily as listed in Paragraph 1 aren't re-carried out of China within the specified time limit, or the goods permitted to exit China temporarily aren't re-carried into China within the specified time limit, the customs shall collect duties pursuant to law.

As for other goods permitted to enter China temporarily which are beyond the scope of good exempted from customs duties for the time being as listed in Paragraph 1, the duties on the goods shall be calculated and collected in accordance with the dutiable value and the ratio between the time when the goods stay in China and the depreciation time. The specific measures shall be formulated by the Customs General Administration.

Article 43.

Where, because of quality or specifications reasons, any of the export goods is re-carried into China in its original form within 1 year as of the day when they were exported, it is not subject to import duties.

Where, because of quality or specifications reasons, any of the export goods is re-carried out of China in its original form within 1 year as of the day when they were imported, it is not subject to export duties.

Article 44.

As for the goods compensated without further charge or the identical goods gratuitously replaced by the consigner of the import or export goods, the carrier or the insurance company because of damage, shortage, poor quality or incompatible specifications, no duty shall be collected when they

are imported or exported. With regard to the gratuitously replaced original import goods that are not to be re-carried outside China or the original export goods that are not to be re-carried into China, the customs shall impose duties on the original import or export goods in accordance with the relevant provisions.

Article 45.

The following import and export goods are duty-free:

- (1) Where the customs duty of goods under a single invoice is not more than RMB 50;
- (2) The articles that are for advertising purposes or to be used as samples and therefore of no commercial value;
- (3) The materials gratuitously donated by foreign governments or international organizations;
- (4) The goods damaged prior to the customs clearance;
- (5) The fuel, materials, food and drinks necessary for the journey and carried by the means of transport that enter into or exit China;

As for the goods damaged prior to the customs clearance, the duties may be reduced on the basis of the seriousness of the damages as determined by the customs.

As for other goods exempt from duties or at reduced duties as provided for in law, the customs shall exempt them from duties or reduce the duties according to relevant provisions.

Article 46.

As for the reduction or exemption of duties and the temporary reduction or temporary exemption of duties on the import goods or export goods of special areas, special enterprises or specified purposes, the relevant provisions of the State Council shall be implemented.

Article 47.

As for the reduction or the exemption of import link taxes levied by the customs on the import goods, the provisions of relevant laws and administrative regulations shall be implemented.

Article 48.

As for the import or export goods exempt from duties or at reduced duties, the obligatory duty payer shall, unless otherwise provided for, handle the duty exemption or reduction formalities for examination and approval at the customs on the strength of relevant documents according to the provisions before the goods are imported or exported.

Article 49.

As for the duty-exempted or duty-reduced import goods whose use is subject to the supervision of the customs, if they are transferred or if their purposes of use are changed within the term of supervision and thus it is necessary to make up the duties, the customs shall depreciate and assess the duties in accordance with the import time, and make up the import tariffs.

The term of supervision for the special duty-exempted or duty-reduced import goods shall be provided by the Customs General Administration.

Article 50.

Under any of the following circumstances, an obligatory duty payer may apply for the refund of customs duties within 1 year as of the day when it pays the duties, and shall present the reasons to the customs in written form and provide the original receipt of the payment of duties and other relevant materials.

- (1) The duty-paid import goods that are re-carried out of China in their original forms because of quality or specifications reasons;
- (2) The export-duty-paid export goods that are re-carried into China in their original forms because of quality or specifications reasons and have already repaid the domestic link export rebates;

- (3) The export-duty-paid goods that fail to be loaded and exported for any reason, for which an application is filed for canceling the declaration. The customs shall, within 30 days as of the day when it receives an application for the refund of duties, verify the information and notify the obligatory duty payer of the refund formalities. The obligatory duty payer shall go through the relevant refund formalities within 3 months as of the day when it receives the notice.

As for other customs duties that shall be refunded

according to any law or administrative regulation, the customs shall refund them according to the law or administrative regulation.

Article 51.

Where the customs finds the duties underpaid or missed after the clearance of the import or export goods, it shall, within 1 year as of the day when the duties are paid or when the customs clearance is made, demand the obligatory duty payer to make up the duties. But under the circumstance that the duties are underpaid or missed because of the obligatory duty payer's violation of relevant provisions, the customs may demand the obligatory duty payer to make up the underpaid or missed duties within 3 years as of the day when the duties are paid or when the customs clearance is made, and charge a late fee of 0.05 % of the amount of the underpaid or missed duties per day as of the day when the duties are paid or when the customs clearance is made.

Where the customs finds that the duties on the goods under its supervision are underpaid or missed because of the obligatory duty payer's violation of relevant provisions, it shall demand the obligatory duty payer to make up the duties within 3 years as of the payable day of the duties, and shall charge a late fee of 0.05 % of the amount of the underpaid or missed duties per day from the payable day.

Article 52.

Where the customs finds any overpaid duties, it shall inform the obligatory duty payer to go through duty refund formalities immediately.

Where an obligatory duty payer finds any overpaid duties, it may, within 1 year as of the day when the duties were paid, request the customs to refund the overpaid duties and pay the current deposit interest for the same period in written form. The customs shall verify the information and notify the obligatory duty payer of the refund formalities within 30 days as of the day when it accepts the application.

The obligatory duty payer shall go through the refund formalities within 3 months as of the day when it receives the notice.

Article 53.

Where any duties and interest to be refunded, according to Articles 50 and 52 of the present Regulations, involves the refund from the state treasury,

the provisions of the relevant laws and administrative regulations on state treasury shall be implemented.

Article 54.

Where a customs declaration enterprise accepts the entrustment of an obligatory duty payer and handles the formalities for customs declaration and duty payment in its own name, it and the obligatory duty payer shall take joint and several liabilities for the payment of duties.

Where a customs declaration enterprise accepts the entrustment of an obligatory duty payer and goes through the customs declaration and duty payment formalities in the name of the customs declaration enterprise, the customs declaration and obligatory duty payer shall take joint and several liabilities.

Where any goods subject to the supervision of the customs are damaged or lost within the term when they are under the supervision of the customs, unless they are damaged or lost as a result of force majeure, the persons who are obligatory to keep the goods shall be responsible for paying the corresponding duties.

Article 55.

Where an obligatory duty payer who owes duties is to be merged or divided, it shall, prior to the merger or division, report to the customs and pay off the duties according to the law. Where the obligatory duty payer fails to pay off the duties when it is merged, the post-merger legal person or other organization shall keep on performing the obligation of paying the duties that should have been paid. Where the obligatory duty payer fails to pay off the duties when it is divided, the post-division legal person or other organization shall bear the joint liabilities for paying the duties that should have been paid.

As for the duty-exempted goods or duty-reduced goods or bonded goods, in case the obligatory duty payer is merged, divided or under any other asset restructure circumstances within the term of supervision, it shall report to the customs office concerned. If it is necessary to pay duties according to relevant provisions, it shall pay off the duties in accordance with the law. If it may continue to enjoy the duty exemption or reduction or bonded enterprise treatments according to relevant provisions, it shall handle the formalities for altering the obli-

gatory duty payer in the customs.

Where an obligatory duty payer owes duties, or is cancelled, dissolved, bankrupt or terminated in any other lawful circumstances within the supervision term of the duty-exempted or duty-reduced goods or the bonded goods, it shall report to the customs office concerned prior to liquidation. The customs shall, in accordance with the law, check up the payable duties of the obligatory duty payer and make them paid off.

Chapter V The Collection of Import Tariffs on Entry Articles

Article 56.

The customs duties and import link taxes collected by the customs instead of others are consolidated as import tariffs, which shall be collected by the customs.

Article 57.

Where any of the entry articles is for the self-use of an individual and is within the scope of reasonable quantity as provided for by the Customs General Administration, the obligatory duty payer of the articles shall pay the import tariffs before the articles are permitted to enter into China.

As for the entry goods for self-use purposes that exceed the quota as prescribed by the Customs General Administration but remains within a reasonable scope of quantity, the import duties shall be paid by the obligatory duty payer of the entry goods prior to the release of the goods in accordance with relevant provisions.

As for the entry articles exceeding the reasonable and self-use quantity, the relevant formalities shall be handled by referring to the import goods in accordance with the law.

As for the entry articles subject to payment of duties of goods as specified by the Customs Tariff Commission of the State Council, the duties shall be collected according to Chapters 2 - 4 of the present Regulations.

Article 58.

An obligatory duty payer of the articles on entry refers to the person who carries the articles on entry, the consignee of the posted articles on entry or any other consignee of the articles on entry by other means.

Article 59.

An obligatory duty payer of the entry articles may handle the formalities for paying the duties by himself, or may entrust any other person to do it as well. The person who accepts such an entrustment shall comply with all the provisions on the obligatory duty payer in this Chapter.

Article 60.

The import tariffs shall be levied on the basis of ad valorem.

The calculation formula for import tariffs is:
Amount of Import Tariffs = Dutiable Value × Import Tariff rate

Article 61.

The customs shall classify the entry articles into different categories and determine the dutiable value and the applicable tariff rate according to the Form of Import Tariff Rates for Entry Articles, and the People's Republic of China - the Form of the Dutiable Values of Articles on Entry formulated by the Customs General Administration.

Article 62.

The tariff rate and the dutiable value implemented on the day when the tariff payment form is filled in shall be applied to the entry articles.

Article 63.

The relevant provisions on the collection of import tariffs on goods in the present Regulations shall be implement in the reduction, exemption, makeup, demand of payment and refund of import tariffs, and the collection of import tariffs on the articles that are temporarily permitted to enter China.

Chapter VI Supplementary Provisions

Article 64.

Where an obligatory customs duty payer or a guarantor raises an objection to the customs' determination of the obligatory customs duty payer, the price after paying the duty, the category of goods, the place of origin, the applicable tariff rate or exchange rate, the reduced or exempted amount of duty, the makeup of duty, the refund of duty, the collection of default fees, the way of calculation and collection of duty or the place of duty payment, it (he) shall pay the duty, and may file a reconsidera-

tion application to the customs of a higher level in accordance with the law. Where it (he) refuses to accept the decision of reconsideration, it (he) may bring a lawsuit in the people's court in accordance with the law.

Article 65.

The provisions on the management of the collection of duties shall be applied to the management of the collection of import link tax by the customs.

Article 66.

Whoever violates any of the present Regulations shall be punished pursuant to the Customs Law, the Detailed Rules for the Implementation of Administrative Punishments under the Customs Law of the People's Republic of China and other relevant laws and administrative regulations.

Article 67.

The present Regulations shall come into force as of January 1st, 2003 and the Regulations of the People's Republic of China on Import and Export Duties amended and promulgated by the State Council on March 18th, 1992 shall be repealed simultaneously.



CPO & Partners (Shanghai) Co.,Ltd.

Yan 'an middle road n.841, Jing 'an District 200040, Shanghai - OOCL Plaza, Floor 26, Suite 2604, 2605
Tel: +86 021 63120097 – www.cpopartners.com – e-mail: shanghai@cpopartners.com