

➤ **Q: What are the main reductions and exemptions of customs duties?**

A: The following goods and articles may be exempt from customs duties:

- a) Advertising articles and trade samples of no commercial value.
- b) Materials sent from abroad free of charge by international organizations or foreign government
- c) Goods damaged or lost before release by the customs
- d) Articles within the prescribed quantity.
- e) Other goods an article free from or reduced on customs duties
- f) The goods and articles free from or reduced of customs duties as stipulate in the international conventions that China has conclude or participated.

Duty exemption or reduction may be granted to special area, specific enterprise or the goods imported or exported for special use. The rules on the scope and method for these exemptions and reductions shall be formulate by the state council. The goods imported after the above exemptions or reductions shall be only used for special area, specific enterprise or special purpose, and can not be used otherwise without approval by the customs and making up of the customs duty.

Any other temporary exemption or reduction of duties shall be determined by the state council.

The customs duties on the following equipment imported for self-use and the technology, accessories and parts imported together with the equipment by the enterprises (projects) may be exempt:

- a. That imported within the total investment by the foreign investment projects and domestic investment projects encouraged and supported for development by the state.
- b. That imported b enterprises for producing the products listed in the state high and new technology products catalogue.]
- c. That imported by software enterprises.
- d. That imported within the approved scope of production an business by use of the funs of own beyond the total investment by the enterprises with foreign investment, the research and development centers with foreign investment and the enterprises with foreign investment of advanced technology an export-oriented type that belong to encouraged or limited B-categories.
- e. That imported within the total investment by the research and development centers with foreign investment.
- f. That imported within the total investment (some preferential treatment may be grante for importers importing by the funds of their own beyond the total investment) for the projects in line with the catalog of projects of advantageous industries and projects for

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utilizing foreign capitals as ruled by the governments at provincial level in middle and western part of China.

Customs duties may be exempt from the equipment imported by use of loans from foreign governments and international financial organizations, the outward payment for the software by enterprises according to contracts in order to import the advanced technology listed in the state high and new technology products catalogue, the special integrated circuit equipment and apparatus solely imported by integrated circuit manufacturing enterprises for introducing into China the integrated circuit technology and complete set of equipment in conformity with state stipulations, the raw materials and consumables imported for self-use by integrated circuit manufacturing enterprises in accordance with the state stipulations, and the articles for science and research and teaching imported according to the stipulations of the state, the articles specially for the use of the disabled and the donated materials of poverty support or charity nature.

Duty may be exempt on the commodities imported by the border residents by mutual market trade with the limit of 3000 yuan per day per person (VAT and consumption tax at importation shall be exempt at the same time).

The customs duties may be provisionally exempt for the goods provisionally imported or exported upon approval by the customs after the consignees or consignors pay to the customs the down-payment or guaranty equal to the amount of duty.

Where the imported goods with reduced duties or exempt from duties are sold, transferred or used for other purpose upon verification by the customs before the expiration of customs control, the customs duties should be repaid on the basis of the value after deducting the depreciation for the period of use.

Import duty may be exempt for the goods exported from China but returned for some reason upon verification by the customs on the original export documents and the declaration for importation submitted by the original consignees or consignors or their agents. But the export duty already paid shall not be rebated.

Export duty may be exempt for the goods imported to China but returned for some reason upon verification by the customs on the declaration for exportation submitted by the original consignees or consignors or their agents. But the import duty already paid shall not be rebated.

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