

Customs Duties Rules for import and export of special goods

1) Compensated goods without cost

No import duty is levied on the import of the compensated goods without cost. No export duty is levied on the export of the compensated goods without cost.

The above compensated goods without cost refer to the goods same as the original goods or matching with the contracts that are compensated or changed by the consignors, carrier or insurance companies of the import and export of the goods due to damage, shortage, ad quality or unqualified specifications after release of the import and export of the goods by the Customs.

Within the claiming period specified in the original import and export contracts and within 3 years after the import and export of the original goods, the duty payers should go to the Customs for the formalities of compensated goods without cost and submit the declaration form for the original export and import of the goods, the duty completion memorandum or Duty Free Certificate for the original import and export of the goods and necessary, the duty payers should also provide the inspection report or other relevant proof documents issued by the qualified commodity inspection institutions on the damage, shortage, bad quality or unqualified specifications of the original goods of import and export.

Where the compensated goods without cost declared by the duty payers for import and export are not the same with the original goods returned after importation or exportation or with the goods specified in the contracts, the duty payers should provide the reasons to the Customs. Believing that the reasons stated by the duty payers are acceptable and the classification number does not change much, the Customs should scrutinize and determine the dutiable price for computing the duty payable in accordance with the relevant rules for examining the dutiable prices of imported and exported goods and the applicable exchange rates, tariff rates for the original import and export of the goods. In case the duty payable is higher than the duty paid on the original goods, the deficiency should be made up. In case the duty payable is lower than duty paid on the original goods and the consignors, carriers or the insurance companies or the original goods have made the compensation, the Customs should pay back the duty corresponding to the duty on the compensation. Without the compensation, the duty on the difference shall not be rebated.

Where the classification number of the declared goods of import and export the duty payers compensated freely or changed is not in line with the classification number of the original goods, the rules relevant to the compensated goods without cost shall not apply and the customs should levy the duty by the rules concerning the normal import and export of goods.

Where the changed original goods of import are not returned to outside China nor handed over to the Customs for handling or where the changed original goods of export are not returned to inside china when the duty payers declare the compensated goods without cost of import and export, the Customs should re-assess the price of the original goods of import and export according to the applicable tariff

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rate, the exchange rate on the date of accepting the declaration and the relevant rules.

No export duty shall be levied when the changed original goods are returned and transported outside China. No import duty shall be levied when the changed original goods are returned and transported into China.

2) Goods imported by leasing

Except otherwise ruled, the duty payers importing the leased goods should declare to the Customs of their location for import and duty paying formalities. When declaring, the duty payers should submit to the customs the leasing contract and other relevant documents. When the customs believe necessary, the duty payers should provide the guaranty for the duty payment.

The goods imported by leasing shall be under the control and monitor of the Customs from the date of border entry to the date of ending the leasing and when the Customs finish the formalities.

In case of paying the rental in one-lump sum, the duty payers should go through the duty paying formalities and pay the duty when declaring the importation of the leased goods. In case of paying the rental by installments, the duty payers should go through the duty paying formalities for the first sum of duty and pay the relevant duty when declaring the importation of the leased goods. For later payment of installments of the rental, the duty payers should go through the formalities to the Customs within 15 days after each time of paying the rental. Where the duty payers fail to declare and pay the duty within the time limit, the Customs shall compute and levy the duty at the tariff rate and the exchange rate applicable 15 days after each payment of the rental and charge late payment inters (the percentage is 0.05%, the same hereinafter).

The duty payers should finish the control and monitor for militias with the Customs are re-transport the goods out of China within 30 days at the expiration of the leasing term of the goods imported by leasing. In need of keeping and buying, continuing to lease the imported goods by leasing, the duty payers should go through the relevant formalities with the Customs within 30 days after the expiration of the leasing terms. Where the leasing terminates before the expiration of the leasing terms of the goods, the date of the expiration of the leasing terms shall be the termination of the leasing.

For the imported goods by leasing retained for buying, the Customs shall compute the dutiable price and levy the duty in line with the rules concerning the examining of the dutiable price of imported goods and the exchange rate and tariff rate applicable on the date when the Customs accept the declaration formalities of the retained buying.

For continuing to lease the imported goods by leasing, the duty payers should provide the continued leasing contract to the Customs and go through the declaration formalities by the rules.

Where the duty payers fail to declare and pay the duty for retained buying of the goods with the Customs within the time limit, the Customs shall compute and levy the duty in line with the rules. The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

concerning the determining of the dutiable price of the imported goods and at the tariff rate and the exchange rate applicable on the date of 30 days after the expiration of the leasing terms and charge late payment interest.

Where the duty payers fail to go through the formalities for continued leasing of the goods with the Customs within the time limit, the Customs shall levy the duty payable on the goods of continued leasing and charge late payment interest.

3) Temporary import and export of goods

For the following goods imported or exported temporarily as approved by the Customs, the Customs Duty may not be paid temporarily provided that the duty payers have paid to the Customs the guaranty payment equivalent to the duty payable or provide other guaranty at the entry or exit of China and the goods should be re-transported out of China or into China within 6 months from the date of entry or exit. Upon application by the duty payers, the customs may extend the time limit for the re-transportation according to the rules of the General Administration of Customs.

- a. The goods displayed or used in exhibitions, trade fairs, conferences and other similar activities.
- b. The articles used for performance, competition in activities of cultural, sports exchange.
- c. The equipment, apparatus and articles used in news reporting or producing films, TV programs.
- d. The equipment, apparatus and articles used in activities of science research, teaching, medication.
- e. The transportation tools and special vehicles used in above activities.
- f. The samples of goods.
- g. The equipment, tools used for installation, testing, inspection of facilities.
- h. The containers for goods.
- i. The goods used for non-commercial purposes.

Where the goods shall not be re-transported out of China or into China at the expiration of the terms as specified by rules, the duty payers should go through the import and export and duty payment formalities to the Customs before the expiration of the term. The customs shall levy the duty by the relevant rules.

For other goods of temporary entry or exit of China, the Customs shall decide the dutiable price of the goods in line with the rules concerning the determination of the dutiable price of imported and exported goods and the exchange rate, tariff rate applicable on the date when the Customs accept the entry or exit of the goods the Customs shall collect the duty by month or at the time when the goods are re-transported out of or into China within the time limit.

The time limit of computing and levying the duty is 60 months. In case of less than one month but over 15 days, it shall be computed as one month. Being less than 15 days, the duty is free. The time limit for computing the duty commences from the date of release of the goods.

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The formula for computing the duty by month is:

Duty on monthly basis = total customs duty ÷ 60

Where the goods above shall not be re-transported out of china or into China at the expiration of the terms as specified by rules, the duty payers should go through the import and export and duty payment formalities to the Customs and pay the duty owed before the expiration of the terms.

Failing to re-transport the above temporary goods out of or into China at the expiration of the terms as specified by rules without going through the import and export declaration and duty payment formalities with the Customs at the expiration of the terms, the Customs shall collect the duty payable and charge the late payment interest by rules.

4) The goods of entry or exit for repairs and the goods exit for processing

When going through the declaration formalities for the importation of the goods for repairs, the duty payers should provide to the Customs shall administer the goods as bonded goods. The goods of entry for repairs should be transported out of China within the time limit as specified by the Customs.

In case of the need to import the raw materials, parts for the repair of the goods, the duty payers should, at the time of clearing the import of the raw materials, parts, provide to the Customs the repair contract of the goods or the original export contract containing the guaranty clause, the import declaration form for the goods imported for repairs (except those declared together with the goods imported for repairs) and provide to the Customs the import duty guaranty or the Customs shall administer the goods as bonded goods. The imported raw materials and parts may only be used for the repairs of the goods. The leftover of the raw materials and parts after the repairs should be transported out of China together with the goods imported for repairs.

When declaring the export of the leftover of the raw materials and parts after the repairs, the duty payers should provide to the Customs the original declaration form for the goods and the raw materials and parts and the repair contract of the goods or the original export contract containing the guaranty clause, on basis of which the Customs shall handle the release of the formalities concerning the guaranty for the entry of the goods and the raw materials and parts. In case of administration as bonded goods, it'll be handled by the rules concerning the bonded goods.

Being unable to transport the goods for repairs out of China within the time limit specified by the Customs due to reasonable argument, the duty payers should explain to the Customs before the expiration of the time limit to apply for extension of the time limit for transportation out of China.

Where the duty payers fail to transport the goods out of China within the time limit permitted by the Customs, the Customs shall conduct administration over the goods by the rules for normal import and export of goods and shall turn the guaranty provide by the duty payers at the entry of the goods into duty.

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When going through the declaration formalities for the exportation of the goods for repairs, the duty payers should provide to the Customs the repair contract of the goods for the original import contract containing the guaranty clause. The goods of exit for repairs should be transported in to china within the time limit as specified by the Customs.

When going through the re-entry formalities of the goods exit for repairs, the duty payers should provide to the Customs the original declaration form and repair contract of the goods or the original import contract containing the guaranty clause, the repair invoices.

The Customs shall decide the dutiable price in line with the rules concerning the determination of the dutiable price of the import and export of goods and at the exchange rate, tariff rate applicable on the date when the Customs accept the declaration for re-entry of the goods for computing the duty payable.

Being unable to transport the goods for repairs into China within the time limit specified by the Customs due to reasonable argument, the duty payers should explain to the Customs before the expiration of the time limit to apply for extension of the time limit for transportation into China.

Where the duty payers fail to transport the goods into China within the time limit permitted by the Customs, the Customs shall conduct administration over the goods by the rules for normal import and export of goods for levying the duty.

When declaring the goods exported for processing, the duty payers should provide the entrusted processing contract for the goods to the Customs. Where the goods exported for processing are the commodities subject to the export duty, the duty payers should provide to the Customs the export duty guaranty. The goods exported for processing should be transported back into China within the time limit as specified by the Customs.

When going through the formalities for re-entry of the goods exported for processing, the duty payers should provide to the Customs the original export declaration form and the entrusted processing contract, processing invoices.

The customs shall decide the dutiable price in line with the rules concerning the determination of the dutiable price of the import and export of goods and at the exchange rate, tariff rate applicable on the date when the Customs accept the declaration for re-entry of the goods for computing the duty payable and at the same time handle the formalities for release of the guaranty provided by the duty payers at the exit of the goods.

Being unable to transport the goods for processing into China within the time limit permitted by the Customs due to reasonable argument, the duty payers should explain to the Customs before the expiration of the time limit to apply for extension of the time limit for transportation into China.

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Where the duty payers fail to transport the goods into China within the time limit permitted by the Customs, the Customs shall conduct administration over the goods by the rules for normal import and export of goods and turn the guaranty into duty. When the goods exported for processing are transported back into China, the Customs shall levy the duty by the rules for the normal import of goods.

5) The goods returned

Where the exported goods are returned and transported back into China unchanged due to quality or specification reasons within one year after the date of release of the goods, the duty payers should submit the relevant documents and proof by rules when going through the import declaration formalities. Upon confirmation of the Customs, there shall be no import duty levied on the re-transportation of the original exported goods into China.

Where the imported goods are returned and transported out of China unchanged due to quality or specification reasons within one year after the date of release of the goods, the duty payers should submit the relevant documents and proof by rules when going through the export declaration formalities. Upon confirmation of the Customs, there shall be no export duty levied on the re-transportation of the original exported goods out of China.

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