

Import Duty on In-coming Articles

The Customs Duty and the VAT, Consumption Tax on the stage of import on the in-coming articles are integrated into import duty that is collected by the Customs by law.

The in-coming articles for personal use within the quantity specified by the General Administration of Customs are free from the import duty. Where the articles are in excess of the quantity specified by the General Administration of Customs but still within the reasonable amount, the duty payers of the in-coming articles for personal use should be liable to payment of the import duty by rules before the release of the articles. For the articles beyond the reasonable amount for personal use, it shall be dealt with by the relevant formalities for imported goods.

For the in-coming articles subject to the duty levying as goods as specified by the Tariff and Classification Committee of the State Council, the Customs Duty shall be levied according to the relevant provisions of the import and export regulations.

The duty payers of the in-coming articles include the persons bringing the articles into China, the recipients of incoming postal articles and the recipients importing the articles in other ways.

The duty payers of the in-coming articles may go through the duty payment formalities by themselves or may entrust others for that. The agents entrusted should follow the rules of the import and export regulations binding on duty payers.

The import duty payable is computed and levied on ad valorem basis.

The formula for computing the amount duty payable is:

Duty payable= Quantity of the dutiable incoming article ×Dutiable price × Applicable tariff rate

The Customs shall classify the incoming articles, determine the dutiable price and the applicable tariff rate according to the Table of Import Duty Tariff Rates on Incoming Articles, and the Classification table of the People's Republic of China on Incoming Articles and the Dutiable Price Table of Incoming Articles of the People's Republic of China formulated by the General Administration of Customs.

At present, the dutiable items of import duty fall into three categories with flat rates:

- 1) 50% rate for tobacco and alcohol.
- 2) 20% rate for cotton, hemp skin; textiles, leather and the finished products thereof; TV receivers; refrigerators; washing machines; receiving (recording, playing) machines; machines of receiving, recording and playing functions; video cameras; air conditioning equipment; data auto-processing equipment; camera equipment; portable copying machines, slide projectors, picture projectors; bicycles; watches; clocks; parts and accessories of the above articles; and cosmetics.
- 3) 10% rate for books, newspapers, magazines and other printing; films, slides show, original tapes and video tapes exclusively for education; gold, silver and jewelry and their products;

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foodstuff, beverages; tonic; seeds of plant; medical and health equipment; measuring and surveying apparatus and meters; medicines, medicine materials; typewriters; sports articles; kitchen and toilet articles; rubber and plastic products; tools; cultural articles; music instruments; shoes and boots; furniture; miscellaneous article; postal stamps; and other articles (like flowers, bags, tours, vacuum cleaners, telephones, washing detergents, art works).

The dutiable price and the applicable tariff rate on the date when the Customs issue the duty payment memorandum shall apply to the incoming articles.

Example:

Some one brought with him into China a video camera after visiting abroad. The dutiable price of the video camera is equal to RMB 8,000 Yuan. The applicable tariff rate is 20%. Thus the amount of duty payable is computed as:

Duty payable = 8000 Yuan x 20% = 1600 Yuan

The reduction, exemption, collection of underpayment, pursuing collection, rebate of the import duty and the levying of import duty on the provisionally allowed incoming articles shall follow the relevant rules of the import and export regulations on levying import and export duty on goods.

The main exemptions from the import duty on the incoming traveler's luggage and postal articles are as follows:

- 1) The Chinese resident people in diplomatic organizations abroad, student studying abroad, visiting scholars, workers for labor exportation, people for assistance to foreign countries, oceangoing seamen, overseas Chinese and compatriots in Hong Kong, Macao and Taiwan, people working in foreign embassies, consulates and relevant international organizations in China may enjoy certain duty exemptions. For example, the Chinese resident people in diplomatic organizations abroad, students studying abroad, visiting scholars, workers for labor exportation, people for assistance to foreign countries may, if they stay abroad consecutively for 180 days, bring with them one duty free article for daily life use within the prescribed scope, including TV, washing machine, refrigerator, camera, video player, receiving and recording player, composite acoustics. The oceangoing seamen may enjoy the same treatment if their duration abroad is 120 days.
- 2) The contraceptives and medicines for private use within the quantity limit set by the Customs may be exempt from the import duty on incoming articles.
- 3) The family use video cameras, cameras and portable receiving and recording players, laser CD players, and/or computers brought into China for the first time of coming in China by the foreign representatives in China who reside in China for more than one year (refers to the work visa or student visa is one year or longer in validity) and during their validity of visas may, upon approval by the local Customs, be exempt from the import duty on incoming articles with the limit to one piece of each type. Among them, the books, science and research instruments, tools, samples, reagents and other articles for teaching and

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research brought into China by foreign experts may be exempt from the duty within reasonable quantity for self-use.

The foreign representatives in China mentioned above include: the representatives in the representative offices of foreign enterprises and other economic, trade or cultural organizations, the representatives in the representative offices of the foreign civil economic, trade or cultural organizations, the resident reporters of foreign press offices in China, the foreigners residing in the Sino-foreign joint ventures, Sino-foreign cooperative enterprises and foreign enterprises, the experts of foreign nationals and overseas Chinese experts coming to work in China for long term, and the foreign students and overseas Chinese students studying in China for a long term.



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