



# Introduction to Chinese Customs

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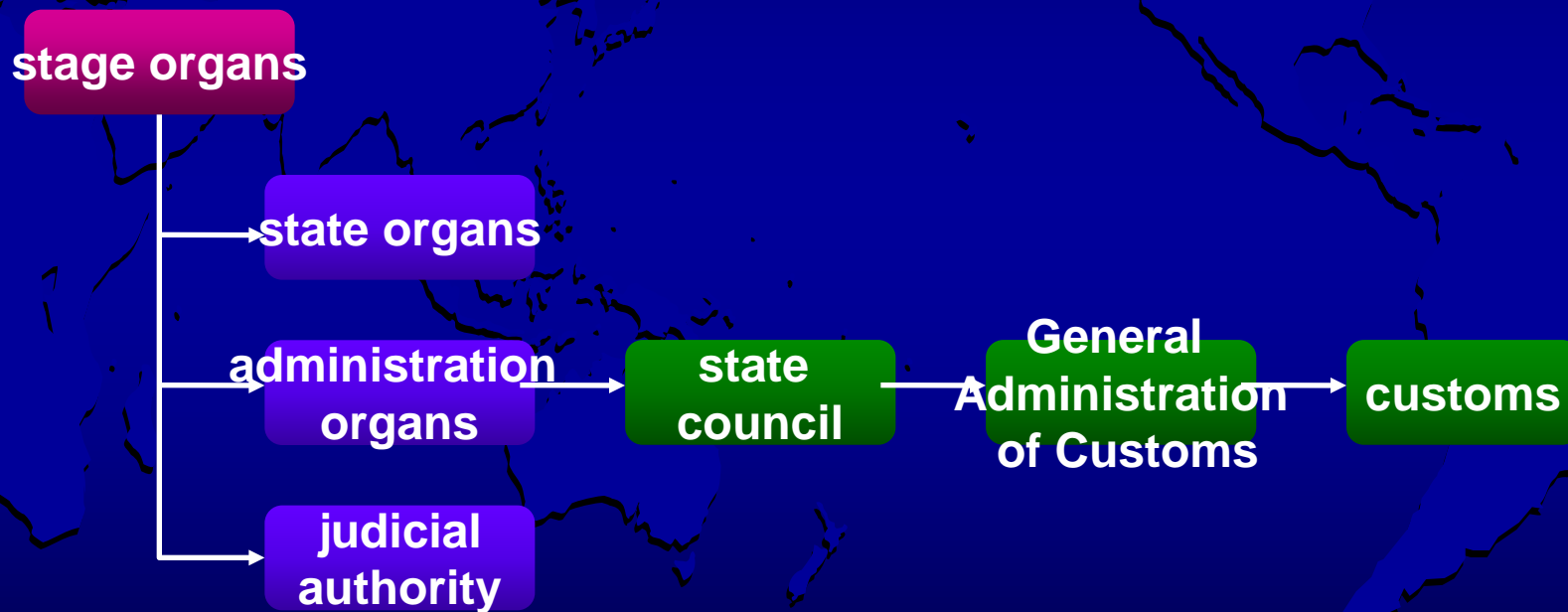
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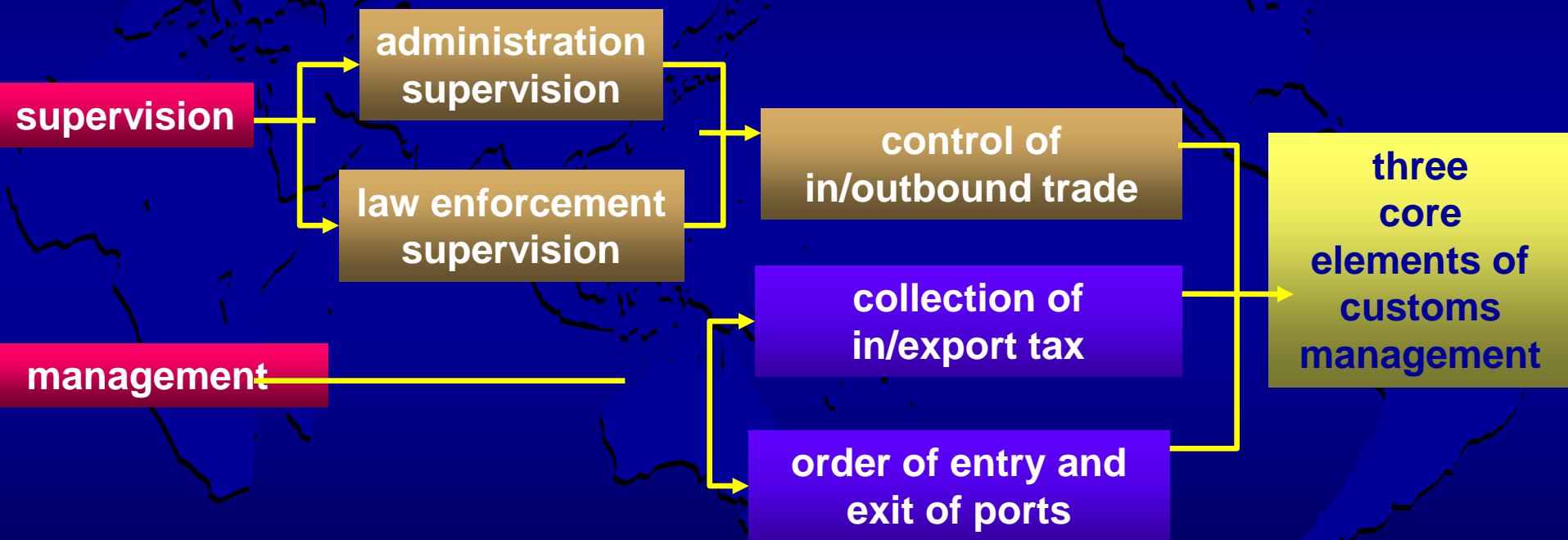
# I. Nature of the customs

## 1、 nature: state organs





## 2、function—supervision & management





### 3、 Conducts—state administration and law enforcement

laws and regulations

empower the customs

supervise in/outbound stuffs

impose administrative penalty on breach of law

administrative measures

administrative supervision

administrative enforcement

administrative reward



## II. Management system of customs

highly centralized and uniformed management:

**1. customs is a ministry of central government**

All customs in China are under the management of the General Administration of Customs, a ministerial state organ under the State Council.



## **2. Vertical leadership**

**from GAC to local customs**

## **3. Customs works independently according to the law**

**All local government departments should support the work of customs and do not intervene in illegally. Local customs exert authority and enforcement independently by law and reports to GAC.**



# III. Principle of establishment of the customs

1. three layers: GAC, regional customs and local customs
2. not limited by administrative regions, but according to operational needs
3. two kinds of places have customs: ports which open up & places where there are lots of customs affairs.







## **IV. Structure of the customs system**

**3 layers :**

**1<sup>st</sup> : GAC ;**

**2<sup>nd</sup> : Guangdong Customs, 2 Offices of Special Commissioners in Tianjin and Shanghai respectively, 41 customs directly under GAC and 2 customs colleges**

**3<sup>rd</sup>: 580 local customs**

**Besides: Offices in Brussels, Moscow, Washington and Hong Kong, etc. Staff number (anti-smuggling police included): 58,000**



**State council**

**GAC**

Brussels

Washington

Moscow

**Guangdong  
Customs**

**Offices of  
Special  
Commissi  
oners in  
Tianjin**

**Offices of  
Special  
Commissi  
oners in  
Shanghai**

**41  
customs  
directly  
under  
GAC**

**2 customs  
colleges**

**580 local customs**



# GAC

**GAC is the leading organ of the Chinese customs system, ministerial agency under the State Council.**

**It has 15 departments, manages 6 institutions, 4 social groups and 3 overseas agencies. The Central Commission for Discipline Inspections of the CPC established the Supervision Bureau in GAC.**



# Regional Customs and Customs colleges





# Local Customs Offices

- | Customs office in  
Shanghai Waigaoqiao Port



# Rank Regime

**5 grads, 13 levels:**

**Grade 1: Customs Commissioner-General , Deputy CCG**

**Grade 2: Customs Commissioner (First, Second, Third Class)**

**Grade 3: Customs Supervisor (First, Second, Third Class)**

**Grade 4: Customs Superintendent (First, Second, Third Class)**

**Grade 5: Customs Inspector (First Class, Second Class)**



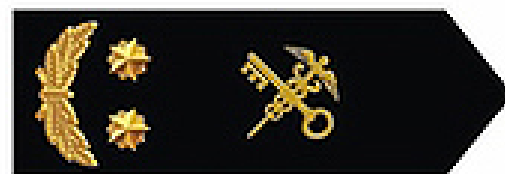
海关总监



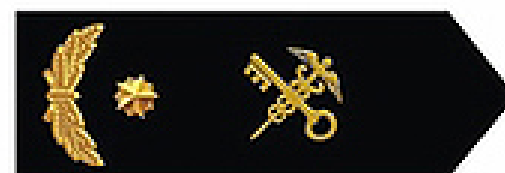
海关副总监



一级关务监督



二级关务监督



三级关务监督



三级关务督察



三级关务督办



二级关务督察



二级关务督办



一级关务督察



一级关务督办



一级关务员



二级关务员





## V. Responsibilities of the customs

There are 7 kinds of responsibility based on the 4 basic tasks:

discharge supervision, tax collection, supervision of processing trade and protective trade, statistics, inspection, anti-smuggling and ports management.





## **VIII. Missions of Customs Administration**

### **1. Customs Supervision**

**in accordance with the customs administration procedures, Customs examine the validity and authenticity of the in/outbound activities and supervises its whole process through the review of forms and data, checks and supervision of objects.**



## **2. Customs taxation**

**according to the customs law and tariff regulations, customs collect tariff and other domestic taxes that are to be collected by the customs on goods that are permitted for import and export or inbound or outbound articles**



### **3. Anti-smuggling**

**In order to fulfill the tasks of supervision and tax collection, Customs detect, curb, crack-down smuggling at the places under customs supervision and border areas**



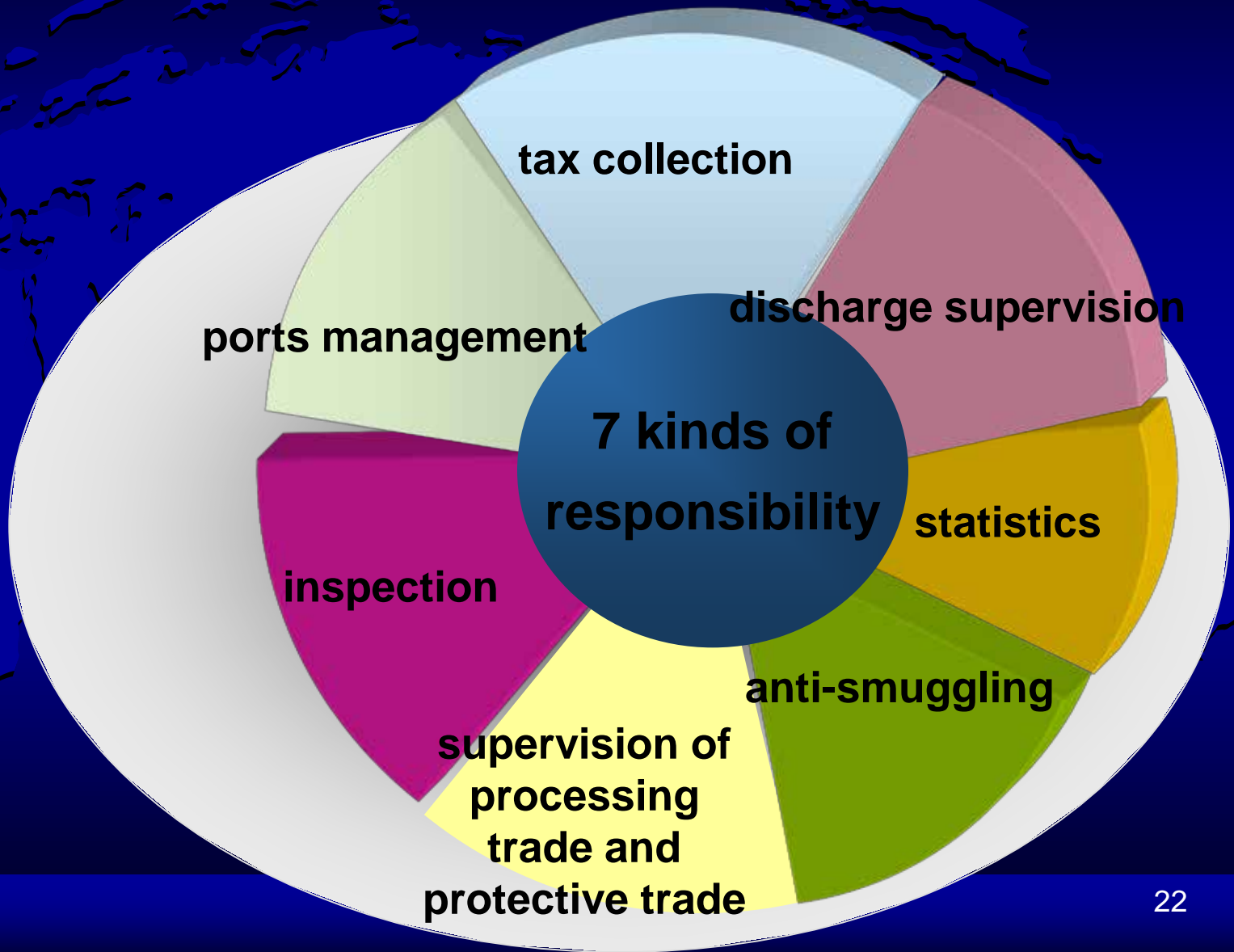
## 4. Preparation of customs statistics

by collecting, sorting, processing declaration forms and bills of actual im/exported goods , customs analyze the variety, quantity, price, origin, trade type of im/exported goods in order to give a full and accurate reflection of the trends of foreign trade

The above-mentioned 4 tasks are of a unified and interconnected whole.



# Responsibilities of the customs





## **VI. Law basis for enforcement of the customs**

### **( — ) Law and regulations**

#### **1. Law :**

**Customs Law of the People's Republic of China**

#### **2. Administrative regulations :**

**Regulation on Import and Export Tariff**

**Regulation on Customs Protection of Intellectual Property Rights**

**Regulations on Customs Administrative Punishment**

**Customs Statistics Regulations**

**Regulations on the Origin of Import and Export goods**

**Regulation on Customs Inspection**



### **3. Administrative measures**

**Measures on transfer and clearance of goods in processing trade and protective trade for deep processing**

**Measures on the management of processing trade at different place**

**Measures on the management of the declaration form of import and export tax rebate**

**Measures on Networked supervision of processing trade enterprises**

**Regulation on the management of declaration of import and export goods**

**Measures on the Supervision of Import and export express mails**

**Measures on the management of protective trade warehouses and goods in such warehouses**

**Measures on the supervision of processing trade goods**

**Measures on the revision and cancelation of declaration form of import and export goods**

**Measures on the verification of import and export goods**





**Measures on the management of export supervision warehouse and goods in such warehouses**

**Measures on the tax collection of im/export goods**

**Measures on the dutiable price of im/export goods**

**Measures on the practice of declarant**

**Measures on the scoreboard management of declarant**

**Measures on the supervision and tax collection of im/export goods of foreign-funded enterprises**

**Measures on the classified management of enterprises**

**Regulation on the classified management of im/export goods and commodities**

**Regulation on the standard of substantive change in the non-original production place rule**

**Tentative Measure on the Administrative Ruling of Customs**



## **(II) other laws and regulations concerning entry and exit management**

### **1. Laws**

**Law on foreign trade**

**Law on inspection of im/export commodities**

**Law on quarantine of in/outbound animals and vegetations**

**Law on solid waste pollution protection**

**Law on territory health quarantine**

**Law on protection of wild animals**

**Law on drug management**

**Law on protection of cultural relics**



## **(II) Administrative regulations**

**on Im/export goods**

**on technology im/export**

**on wild animal protection**

**on foreign exchange**

**on anti-subsidy**

**on anti-dumping**

**on guarantee measures**



# Structure of law concerning customs

( I ) Customs Law

Passed by the Standing committee of National People's Congress ; is the basic legal norms for the customs' administration

( II ) Administrative regulations

made by the State Council according to the Constitution and laws

( III ) Customs Documents

Customs regulations

made by GAC alone or with other departments

Regulative documents

issued in the form of the notice of the GAC(no administrative penalty can be set up)



## VII. Power of the customs

According to the Law on Customs and other relating laws and regulations, include:

### **1.right to administrative approval**

Upon application, the customs may approve the applicant the right to participate in Customs-related business by issuing a certificate.



## **2. right to collect taxes and charges**

**Customs have the right to collect taxes on imported/exported goods.**

## **3. right to administrative supervision and inspection**

**It's the basic right that ensures the exercising of administrative supervision and management of the customs, including, right to inspect, to verify, to interrogate, to consult and copy, to consult and to examine.**



## 4. right to administrative enforcement

right to detain, to collect overdue bills, take samples, seal the goods, sell the goods for taxes.





## **5. Right to carry and use weapon**

**Customs staff can carry and use weapon in enforcement with restricted scope, object and conditions of use**

## **6. right of administrative penalty**

**The customs has the right to impose administrative penalty on smugglers, including confiscation, fine, warning and suspension of its qualification.**





## 7. right of other administrative measures

administrative ruling, rewarding,  
reconsideration, and protection of IPR related  
to in/outbound goods.





# conditions for right to inspect

object	area	parameters
in/outbound transportation tools	in the “two areas”	relative department of the customs can directly exercise the right
	outside the “two areas”	
transport tools suspected of smuggling	in the “two areas”	relative department of the customs can directly exercise the right
	outside the “two areas”	relative department of the customs can exercise the right after the approval of chief customs officer of the customs directly under GAC or the CCO of affiliated customs commissioned by the CCO of the CDUGAC.
places that hide goods and articles suspected of smuggling	in the “two areas”	relative department of the customs can directly exercise the right
	outside the “two areas”	can't inspect residence of citizens the related party must be on site, otherwise, witness is needed department of the customs can exercise the right in investigation of smuggling after the approval of chief customs officer of the customs directly under GAC or the CCO of affiliated customs commissioned by the CCO of the CDUGAC.
Suspected smuggler	in the “two areas”	relative department of the customs can directly exercise the right
	outside the “two areas”	Cant's exercise without authorization

# conditions for right to detain

object	area	condition	authorization
contracts, invoices etc	in the "two areas"	related to transportation tool, goods and materials suspected of smuggling and violates the customs law or other laws and regulations	relative department of the customs can directly exercise the right
	outside the "two areas"		
transportation tool, goods and materials suspected of smuggling	in the "two areas"	violates the customs law or other related laws or regulations	can exercise the right after the approval of chief customs officer of the customs directly under GAC or the CCO of affiliated customs commissioned by the CCO of the CDUGAC.
	outside the "two areas"	can exercise the right after the approval of chief customs officer of the customs directly under GAC or the CCO of affiliated customs commissioned by the CCO of the CDUGAC and there are evidence for suspicion of smuggling found in inspection .	relative department of the customs can directly exercise the right
Suspected smuggler	in the "two areas"	suspected of smuggling  detaining for no more than 24 hours, up to 48 hours in special cases	can exercise the right after the approval of chief customs officer of the customs directly under GAC or the CCO of affiliated customs commissioned by the CCO of the CDUGAC.
	outside the "two areas"		Can't exercise unless authorized