



# China Customs Import & Export Management: Basic System & Operations Implementation



**Part One**  
**China Customs Basic System for**  
**Management of Import and Export of Goods**



## Summary

**I. Basic State of Management System**

**II. Simplified Merging of Management System**

**III. Basic Form of Management System**



**I. Presentation of Management System**

**II. Simplified Merging of Management System**

**III. Content of Basic Management System**



## I. Presentation of Management System

### (I) Establishment of Customs Management System

Targeting mainly trade methods and businesses involving external transaction of goods:

1. Customs Regulations for Import & Export Goods Declaration
2. Customs Regulatory Measures for Temporarily Imported Goods
3. Customs Regulatory Measures for Processing Trade Goods



4. Customs Regulatory Measures for Bonded Warehouses and Stored Goods

5. Customs Temporary Measures for Bonded Ports Management

6. Tax Administration for Imports & Exports

7. Customs Validation Methods for Dutiable Price of Imports & Exports

8. Customs Regulatory Measures for Customs Declaration Units

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## **(II) Application of Customs Management System**

Each Customs Management System is applicable to a specific trade method or business involving external transaction of goods, targeting the specific import and export economy and trade characteristics, employing different management methods for each.



## Example 1:

Management System  
for Foreign-invested  
Enterprises' Imports &  
Exports

Import of encouraged production equipment and goods with foreign investment

Import of encouraged production equipment and goods with proprietary funds

Materials imported for the production of exports

Materials imported for the production of locally sold goods

Import of non-duty-free equipment and goods with funds within the total investment amount or with proprietary funds

Tax Relief  
& Duty-free  
Management

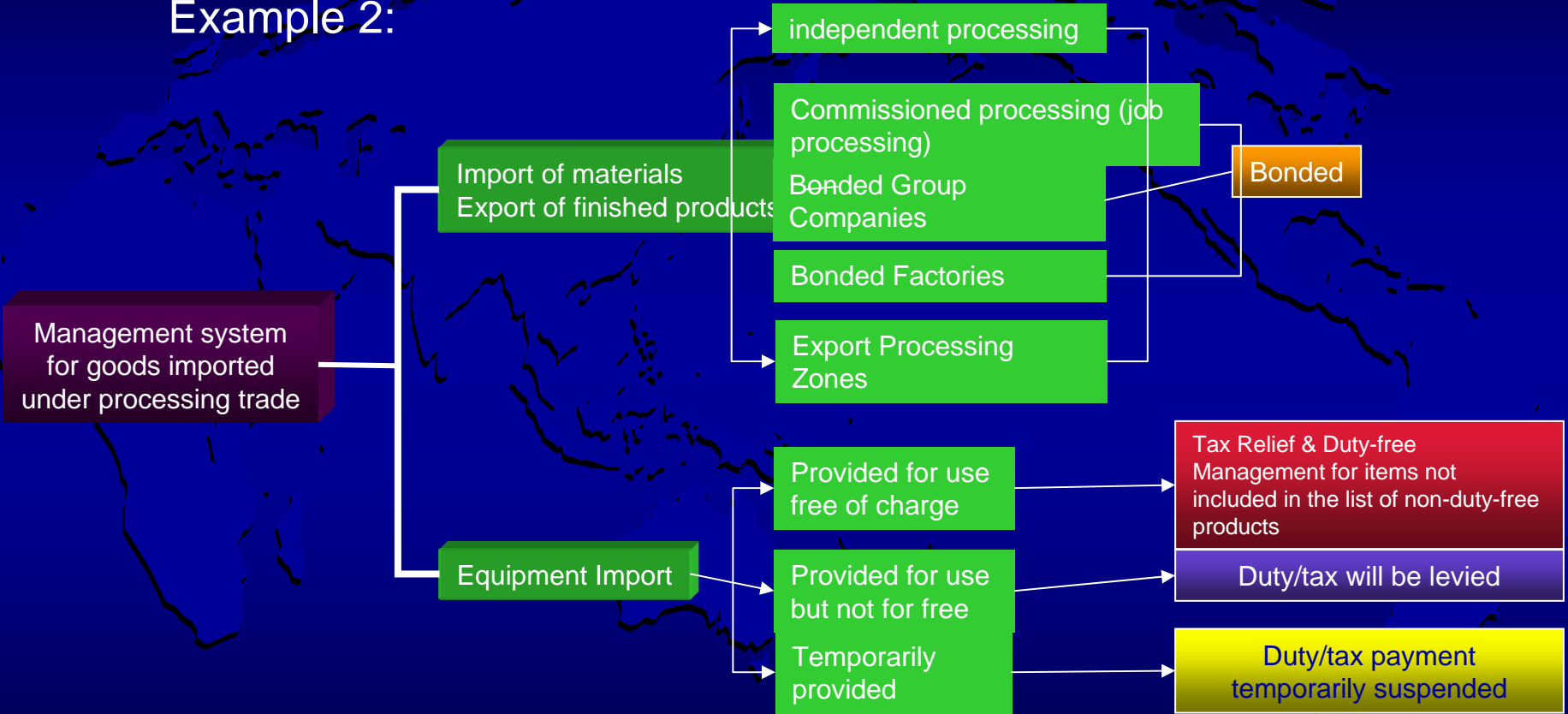
Bonded

Duty & tax will be levied





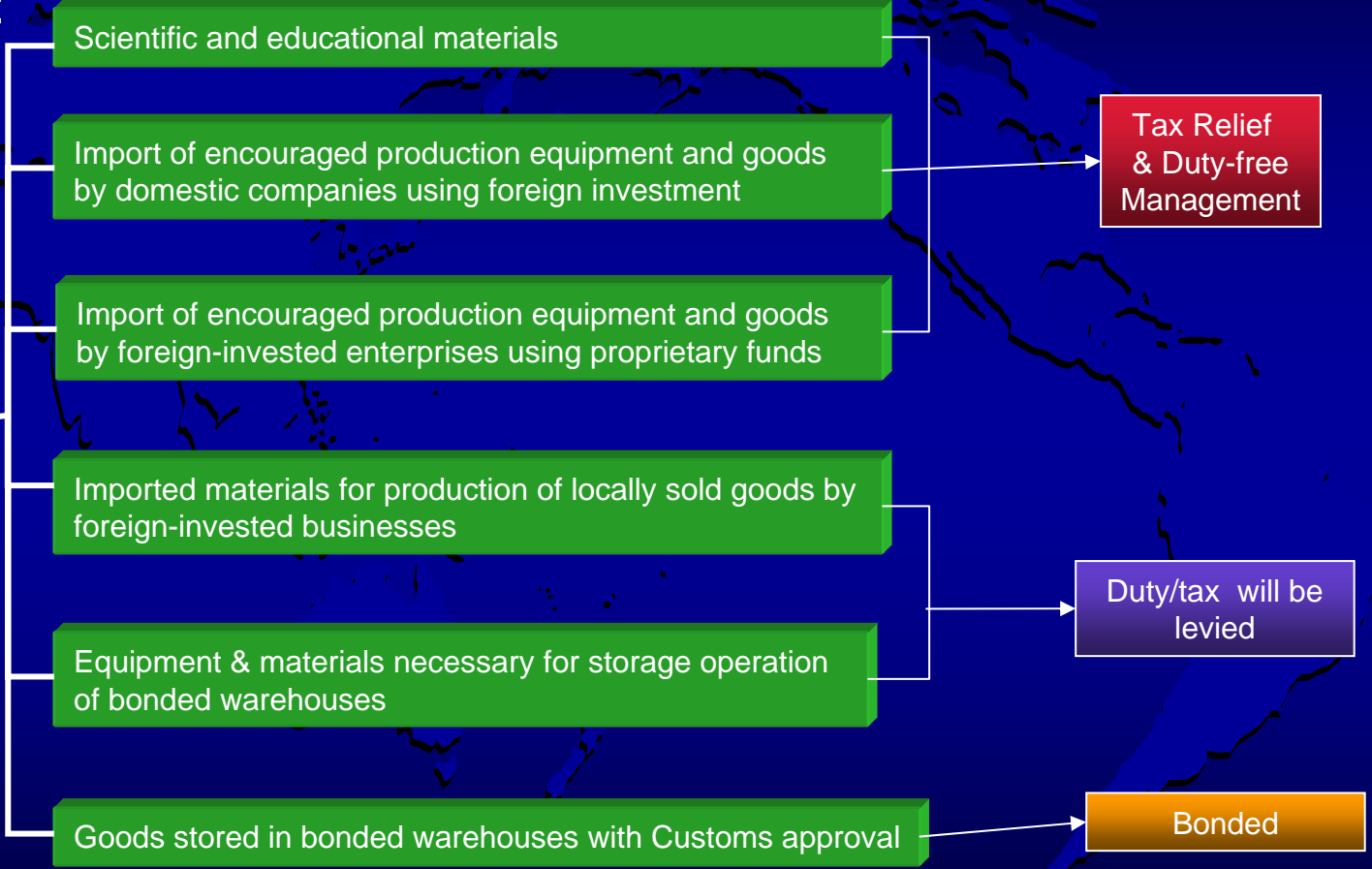
# Example 2:





### Example 3:

**Management system for import and export of goods through normal trade methods**





## Example 4:

Management system  
for import and export  
of goods in bonded areas

Import of materials and export of finished products under process trade

Stored goods for entrepot trade and others

Displayed goods within the bonded areas

Machinery, equipment and infrastructural materials required for construction projects

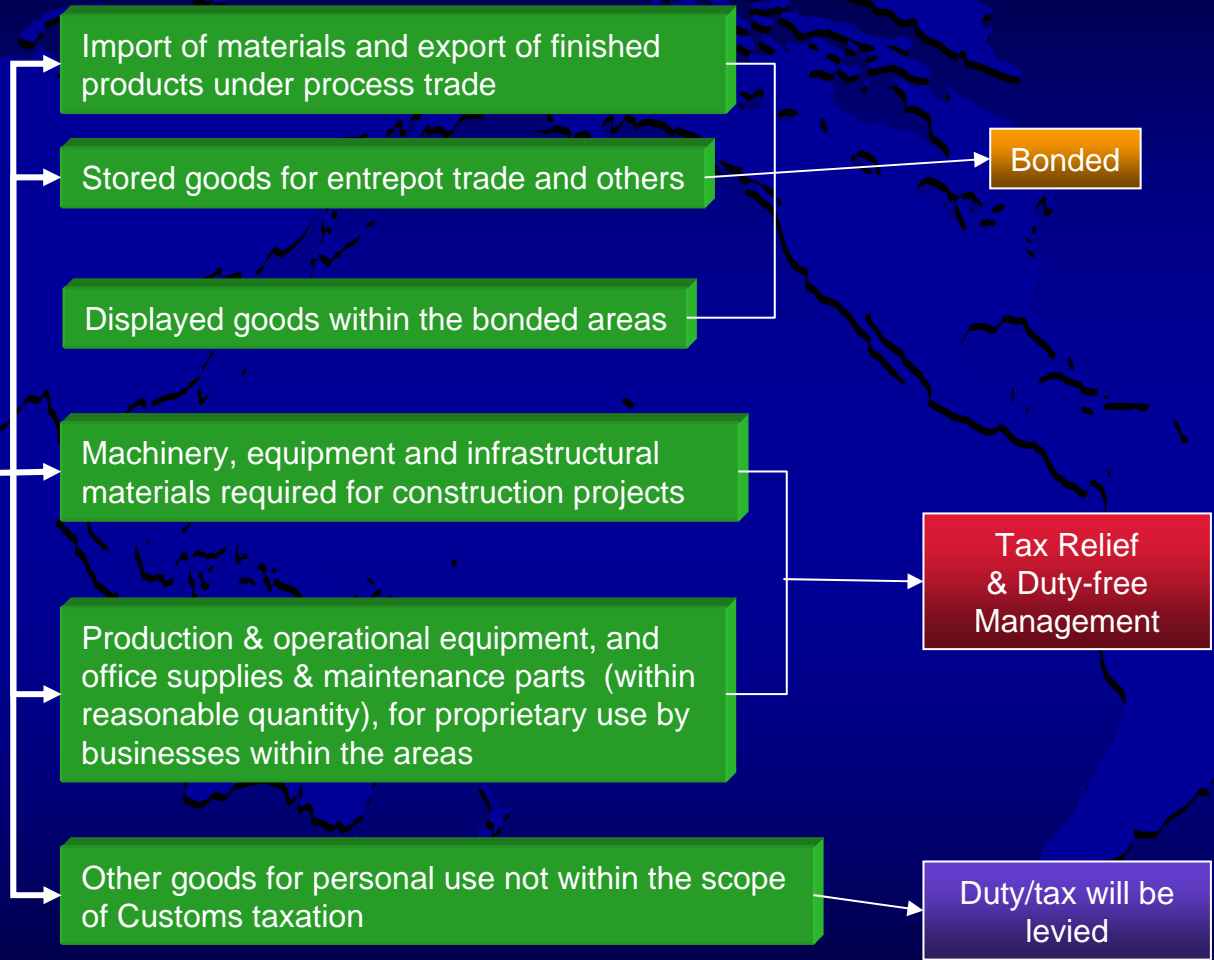
Production & operational equipment, and office supplies & maintenance parts (within reasonable quantity), for proprietary use by businesses within the areas

Other goods for personal use not within the scope of Customs taxation

Bonded

Tax Relief  
& Duty-free  
Management

Duty/tax will be  
levied





### **(III) Objectives for Customs Management Systems**

Verifying the goods transaction method and the operation method, the Customs shall consider the economic & trade characteristics and relevant customs taxation methods for imports and exports, and apply customized management methods.



I. Presentation of Management System

**II. Simplified Merging of Management System**

III. Content of Basic Management System



## **II. Simplified Merging of Imports & Exports Management System**

### **(I) Classification of goods in light of the purposes of entry/exit**

1. Actual import & export of goods
2. Temporary import & export of goods (including goods for processing, storage and use)
3. Goods going through the Customs territory (including transited, transshipped and through goods)
4. Other special imports & exports (including goods which are overlanded, mislanded, returned, replaced for free and so on)

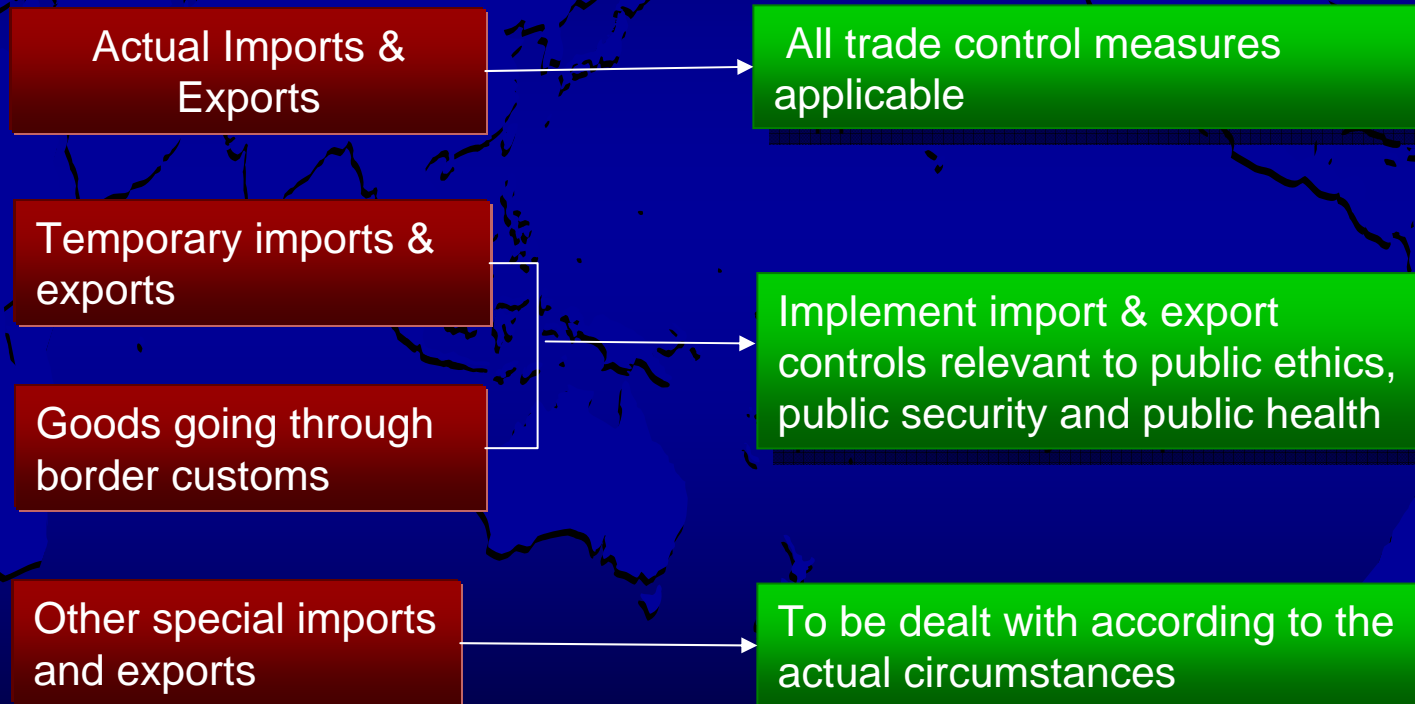


## (II) Relationship between Import & Export Types and Customs Taxation





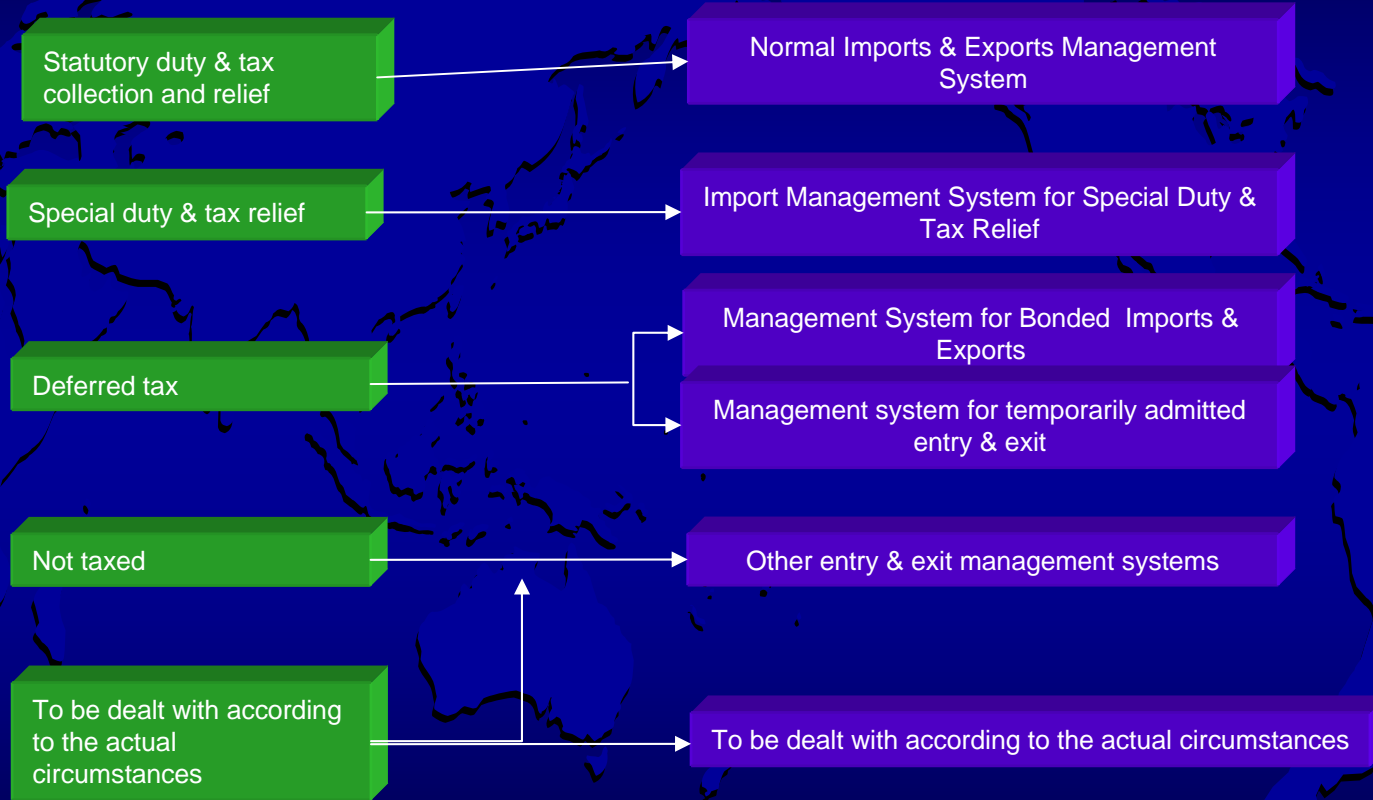
### (III) Relationship between Various Import & Export Types and Trade Control Implementation





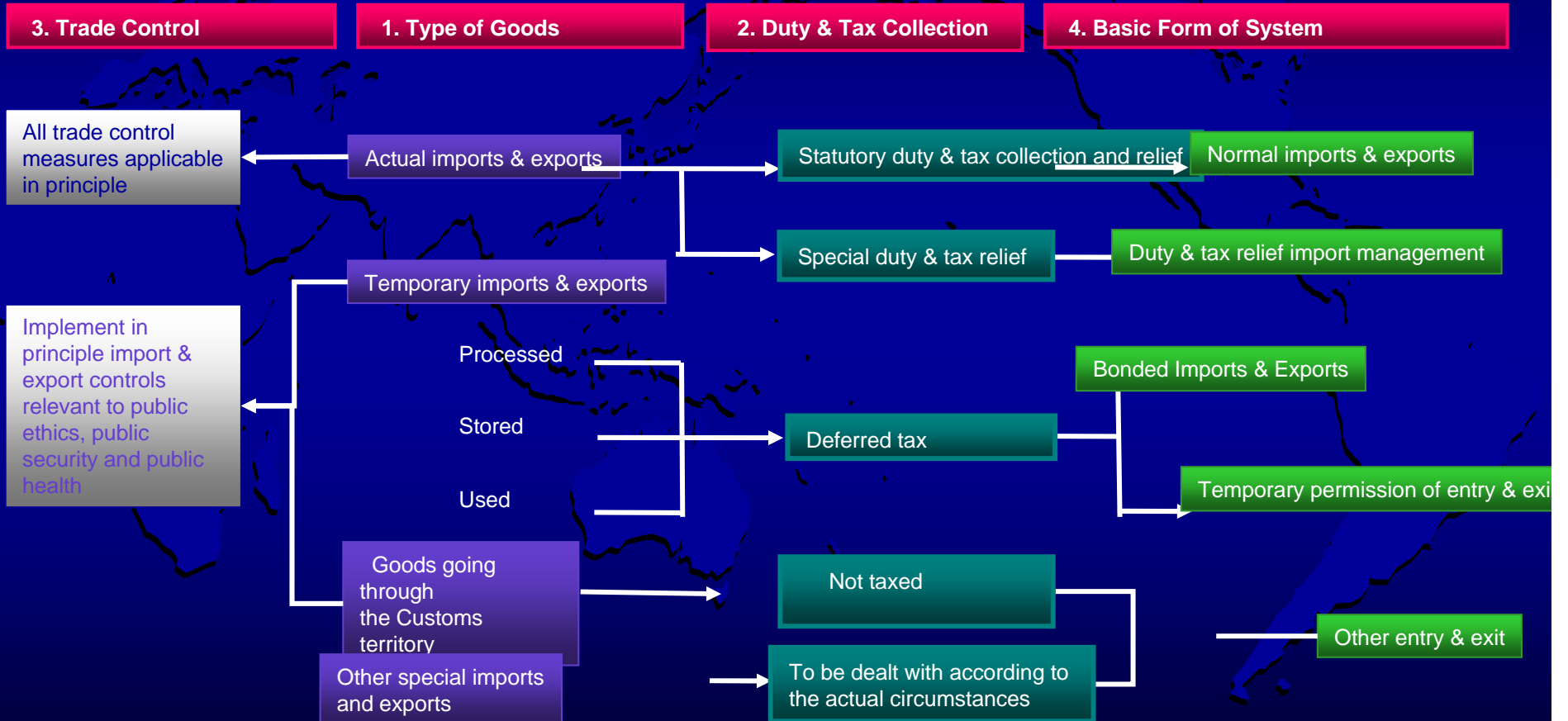


## (IV) Basic Customs Management System with duty as its focus





# Roadmap to Simplified Merging of Import & Export Management System





I. Presentation of Management System

II. Simplified Merging of Management System

**III. Content of Basic Management System**



### III. Contents of Basic Management System

#### (I) Normal Imports & Exports Management System

Refers to the Customs Management System pertaining to goods entering & exiting the Customs territory for which import & export duty/taxes have been paid, customs procedures have been settled, and are allowed to be imported into the Customs territory for use or consumption or allowed to be freely transported out of the Customs territory for free circulation.

Its applicable scope includes:

Actual imports and exports which do not enjoy specified import duty reductions or exemptions.



## **(II) Bonded Import & Export Management System**

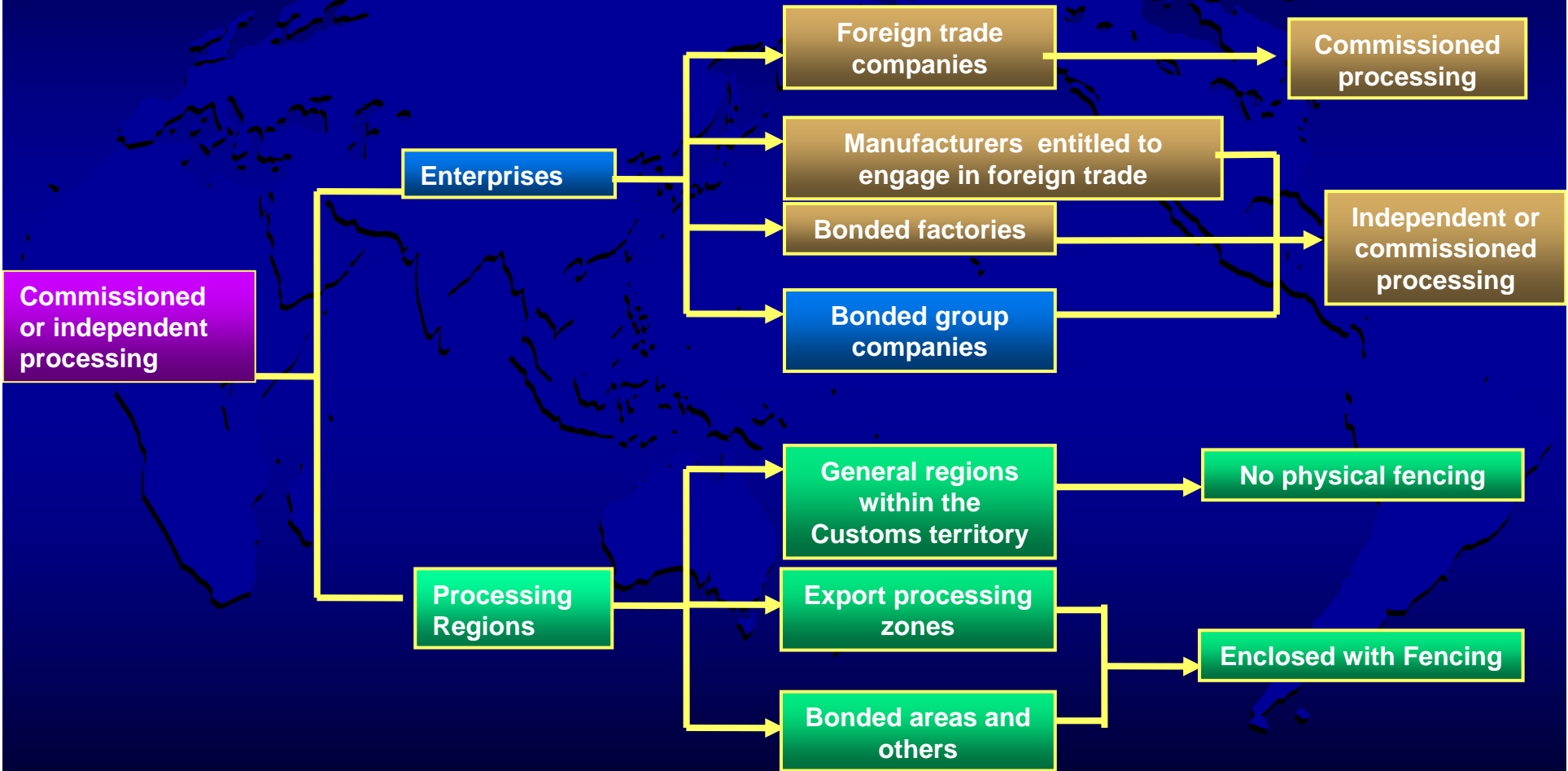
Refers to the Customs Management System pertaining to temporarily imported goods for processing or for storage due to various operational purposes, for which import duty & tax payment procedures were postponed. After importation, the goods should be re-exported after processing or storage; otherwise, they should be put under other Customs Management Systems. In either case, there must be a procedure of verification and write-off procedure.

Its applicable scope includes:

- A. Temporarily imported goods for processing in China;
- B. Goods temporarily imported and stored for various operational purposes

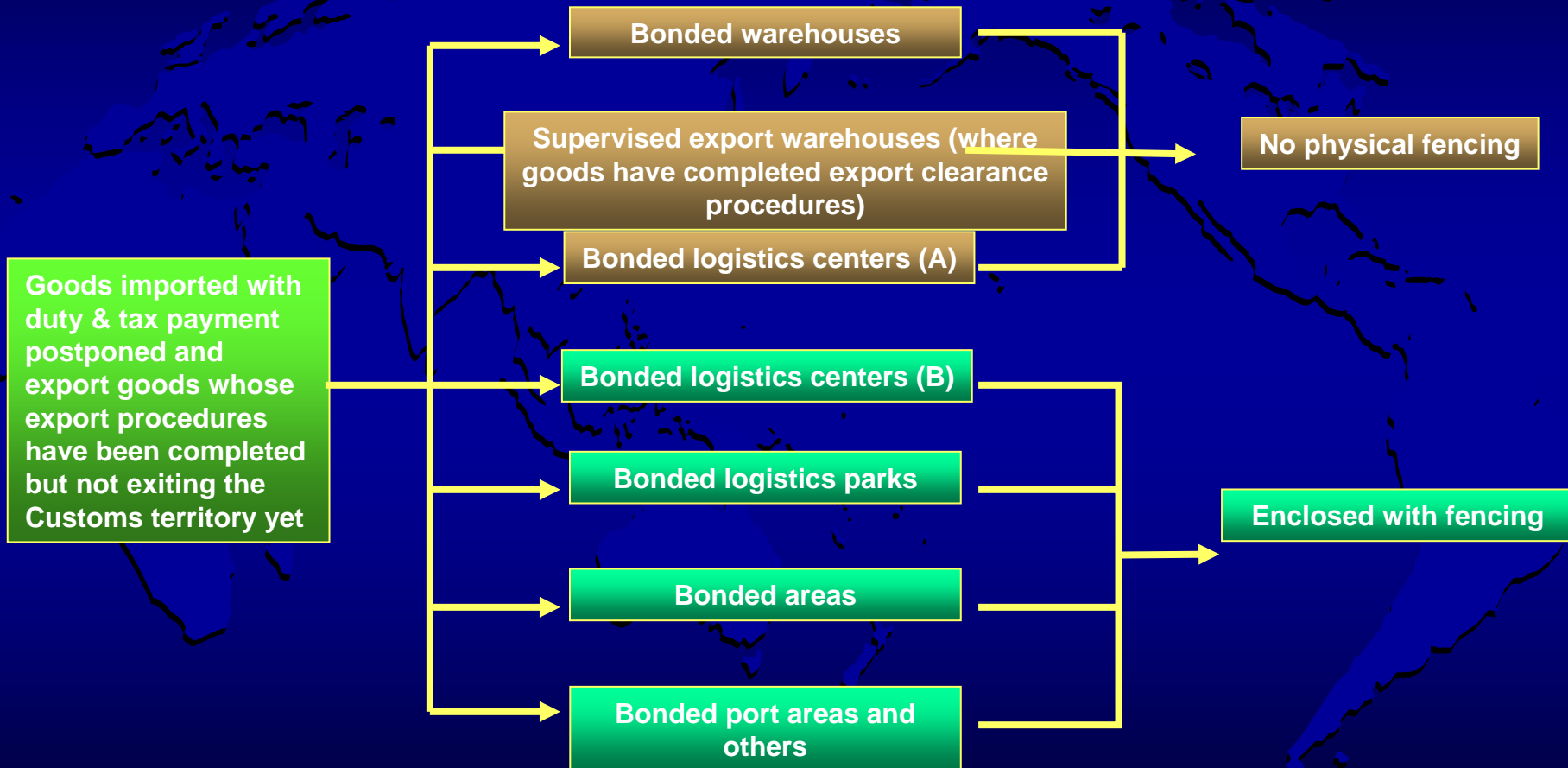


# Processing Trade Enterprises and Processing Regions





# Bonded Storage Operational Method and Management Model





### **(III) Import Management System for Duty & Tax Relief**

Refers to the Customs Management System pertaining to imported goods with duty reduction or exemption. After importation, their use are subject to specified conditions or prescribed scope, and the case will not be closed until the Customs control time limit expires.

Its applicable scope includes:

- A. Imported goods in specified areas which enjoy duty reduction and exemption
- B. Imported goods of specified companies which enjoy duty reduction and exemption
- C. Imported goods for specified purposes which enjoy duty reduction and exemption
- D. Imported goods with specified funding which enjoy duty reduction and exemption





## **(IV) Temporary Entry/Exit Management System**

Refers to the Customs Management System pertaining to goods which are temporarily imported or exported for specific purposes, and are re-exported or re-imported in their original form (except the normal wear and tear due to their use) within the scheduled time period. For such goods, import/export duty & tax payment is temporarily exempted.

Its applicable scope includes:

Temporarily imported or exported exhibition items, and so on  
(12 types)



## Permitted Scope for Temporary Imports & Exports

1. Items to be displayed or used in exhibitions, fairs, conferences and other similar activities;
2. Performance & competition supplies to be used in cultural & sports events;
3. Instruments, equipment & supplies to be used in news reporting or the production of films and television shows;
4. Instruments, equipment & supplies to be used in research, educational and healthcare activities;
5. Means of transport and special vehicles used for activities within the abovementioned list;



6. Samples of goods;
7. Instruments, equipment & supplies to be used in charitable activities;
8. Instruments & tools to be used in the installation, debugging, testing and repair of equipment;
9. Container for goods;
10. Vehicles & supplies for self-driving travel purposes;
11. Instruments, equipment & supplies to be used in construction;
12. Other goods approved by customs for temporary entry & exit.



## (V) Other Entry & Exit Management Systems

Refers to the Special Management System for goods which do not fit under the other four management system types due to special reasons.

Its applicable scope includes:

1. Transit, transshipped & through goods
2. Overlanded & mislanded goods
3. Goods replaced for free
4. Returned goods
5. Repaired goods
6. Goods undeclared after expiry of time limit, goods abandoned, and so on



## Part Two

# China Customs Implementation of Import & Export Management



# Summary

**I. Organizational Structure for Implementation of Customs Management**

**II. Operational System for Implementation of Customs Management**

**III. Procedure for Implementation of Customs Management**



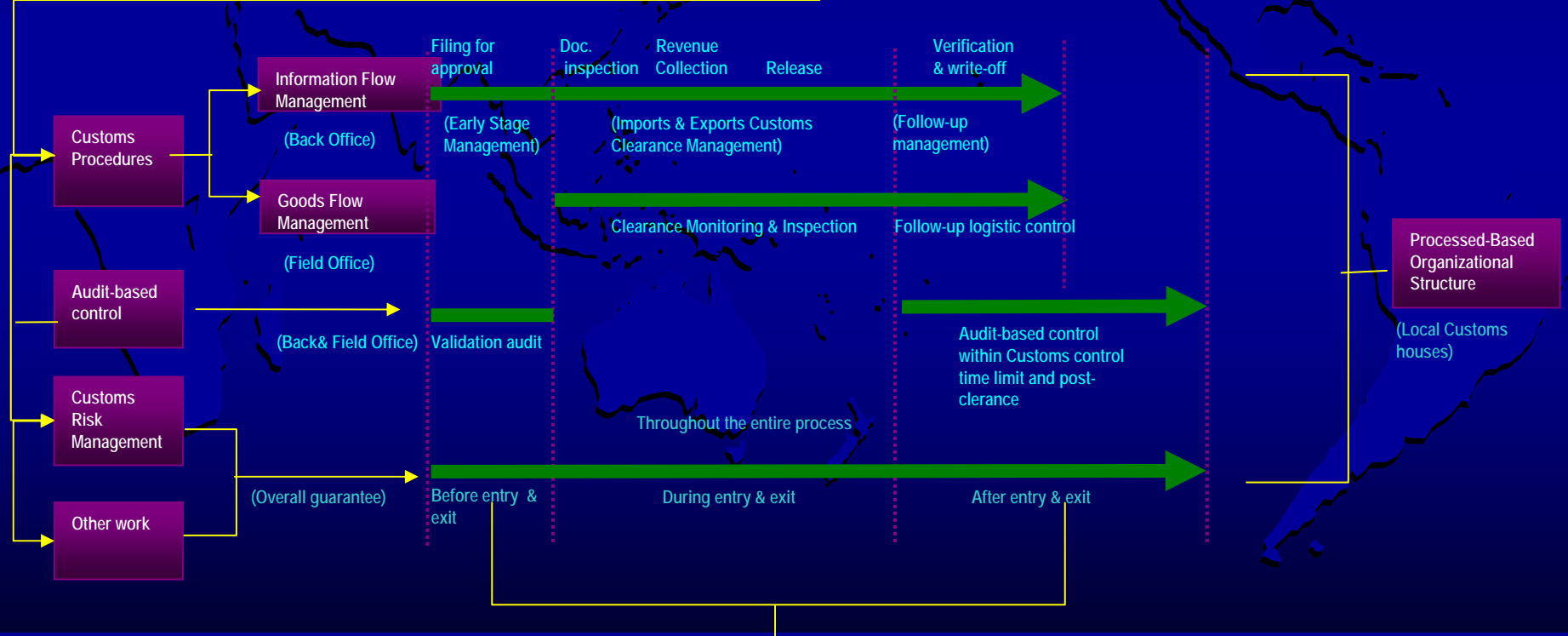
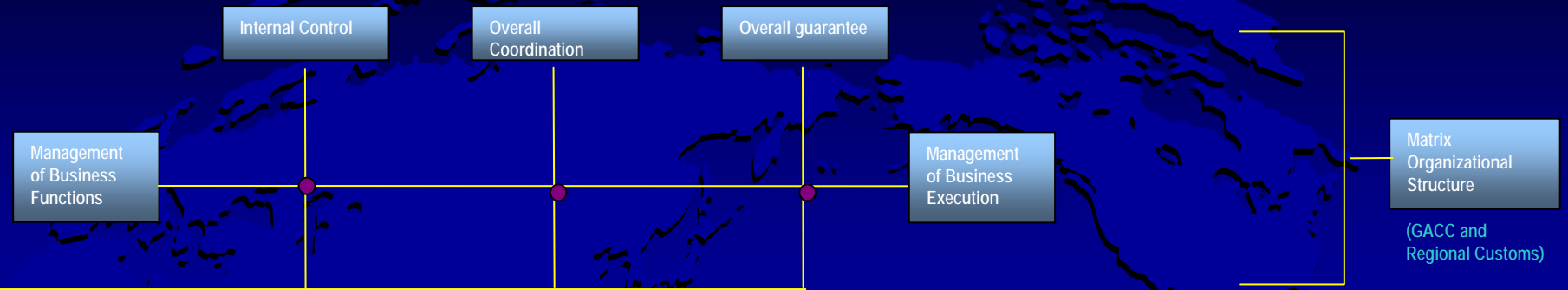
## **I. Organizational Structure for Implementation of Customs Management**

## **II. Operational System for Implementation of Customs Management**

## **III. Procedure for Implementation of Customs Management**



# Organizational Structure for Implementation of Customs Management



Three forces of Customs control converge here





## (I) Management Dimension

### 1. Organizational Dimension

Regulatory system involves all 3 levels including the GACC, regional Customs and local Customs houses;

### 2. Functional Dimension

Both the GACC and regional Customs comprise the 5 modules of overall coordination, management of business functions, management of business execution, internal control, overall guarantee; and the local Customs houses comprise the 3 modules of back office, field office and overall guarantee;

### 3. Time Dimension

Covers the 3 stages: before, during and after entry & exit.



## (II) Functions Positioning

### 1. GACC

Shoulders nationwide customs strategy, command and control. Participates in and serves the country's macro-strategies, formulates customs management policies and operational processes, controls nationwide customs law enforcement, analyzes and controls overall risks; realize centralized resource management of technology, equipment, budget, manpower and so on, promotes the application of IT technologies; evaluates the performance of regional Customs.



## **2. Regional Customs**

Undertake operational management and monitory functions of the regions within their respective jurisdiction. In charge of operational management, work coordination and guidance, technical support, logistic support for operations within their respective region. Organize the implementation of various customs regulations, policies, systems and procedures, and conduct analysis and monitoring. Evaluate the performance of local Customs houses (offices).

## **3. Local Customs**

Shoulders specific implementation duties. In charge of management of Customs control premises and enterprises, cargo flow control, Customs payment collection, trade controls, statistics compilation, audit-based control, anti-smuggling case investigation and so on. Provide feedback on law enforcement results.



## **(III) Management Functions**

### **1. Overall Coordination Module**

Based on the customs' law enforcement mission, undertake day-to-day administrative work, coordination between different functional divisions, coordination for foreign affairs.

### **2. Function Management Module**

Based on the customs' law enforcement mission, determine the contents of Customs law enforcement, set the criteria for customs law enforcement content, and monitor the state of customs law enforcement.



### **3. Operations Execution Management Module**

Based on the customs' law enforcement mission, examine customs law enforcement conditions, develop customs law enforcement rules, manage customs law enforcement workflow.

### **4. Internal Control Module**

Undertake improvements of internal control mechanisms, evaluate the status of law enforcement, carry out supervision over law enforcement for anti-corruption purpose.

### **5. Overall Guarantee Module**

In charge of the management of technological equipment, resources, team building and logistic support.



## **(IV) Management Forces**

According to the management timeline, there are 3 types of management forces: Before Entry & Exit (before acceptance of transmitted manifest data), During Entry & Exit (after acceptance of transmitted manifest data but before settlement of release procedure) and After Entry & Exit (after settlement of release procedure but before completion of customs procedures).

### **1. Management Force Before Entry & Exit**

In charge of early-stage examination & approval, information recordation, validation audit, and so on;

### **2. Management Force During Entry & Exit**

In charge of Customs control over means of transport, manifest inspection, professional e-document inspection, onsite acceptance of paper documents, Customs payment collection, selective goods inspection, verification and release, and other onsite customs clearance and management operations;



## Exit

In charge of verification, verification and write-off for processing trade, audit-based control, and other follow-up Customs control.

Risk management, anti-smuggling and other work cover all 3 stages, and should be carried out based on respective duties.



## (V) Risk Management

### 1. Centralized Operating Platform

Consolidate various existing risk management systems into a “Consolidated Operational Management Platform”.

### 2. Unify Input into the System

Unify risk indicators for monitoring & analysis, and unify risk disposal channels.

### 3. Separate Monitoring & Analysis

Launch separate monitoring & analysis focusing on their respective operational area:

- (1) Search for operational risks;
- (2) Monitor & assess operational situations;
- (3) Set risk parameters and indicators
- (4) Put forward management requirements and risk disposal suggestions





#### **4. Directly Used by the Operational Sites**

The integrated operational platform is connected with various operational systems:

- (1) Various risk disposal instructions are directly sent to the operational site through the operational systems;
- (2) Feedback on the execution of the risk disposal instructions are, through the operational systems, sent to the integrated operational platform.



I. Organizational Structure for Implementation of Customs Management

II. Operational Systems for Implementation of Customs Management

III. Procedure for Implementation of Customs Management



## **Customs Management Operational Systems include the following subsystems:**

1. Entry & Exit Information Management System  
Including “Duty/Tax Collection Operational System” and “Trade Control Operational System”
2. Informational Management System for Examination, Approval, Verification and Write-off for Processing Trade
3. Cargo Flow Monitoring System
4. Operational System for Audit-Based Control
5. Risk Management Operational System
6. Operational System for Daily Administrative Affairs



# **(I) Entry & Exit Management Operations**

## **1. Operational Management System**

E-Document Inspection System、 Cargo Flow Monitoring System, functions management system

## **2. Operational Method**

General clearance, facilitated clearance, paperless clearance, consolidated clearance, cross-region clearance operations

## **3. Operational Information Platform**

H2000 information management system、 E-Port monitoring system、 Customs risk management system



#### **4. Operational Workflow**

Accept electronic declaration—Receive paper documents for review—Selected Inspection—Customs payment collection—Verify and release—Issue certified copies of Customs declaration forms

#### **5. Special Operational Procedures**

Transit transportation between different Customs houses, guarantee supplied concerning clearance, protection of intellectual property rights, price consultation or challenge of prices declared, modify or withdraw Customs declaration forms.

#### **6. Operation Monitoring and Supervision**

Law enforcement evaluation, internal audit & supervision



## **(II) Examination, Approval, Verification and Write-Off Operations**

**Early stage: recordation of information,  
examination and approval of registration**

### **1. Operational Management for Information Recordation on Bonded Operations**

(1) Networked management of examination & approval for  
businesses

(2) Recordation of information on electronic and paper-form  
processing trade handbooks

(3) Recordation of information on electronic ledgers

(4) management of transfer of materials for further processing  
or for processing at another place



## 2. Duty/Tax Relief Management

(1) Verification of the qualifications for duty & tax relief  
(Recorded information)

(2) Examination & Approval for imports enjoying duty/tax relief

## 3. Examination & Approval for Temporary Entry & Exit

(1) Administrative licensing for temporary imports & exports

(2) Recordation of information on entry/exit of exhibition items



# Follow-up Verification, Verification & Write-off

## 1. Bonded Goods

- (1) Verify bonded processing & storage situations
- (2) Approve and handle procedures concerning domestic sales, residual materials' carry-over, return shipment of those materials, and so on.
- (3) Regular or non-scheduled verification and write-off of handbooks and case closing

## 2. Management of the time limits for goods enjoying duty/tax relief

- (1) Approve materials' carry-over, transfer and use for non-intended purposes





(2) Approve the use of goods enjoying duty & tax relief as mortgage for loans

(3) Approve the use of the goods in another place and the return shipment of the goods

(4) Approve the lifting of Customs control over goods either before or after the expiry of the time limit

### **3. Verification and Write-off Operations for Temporary Import & Exports**

(1) Verify whether the temporary imports & exports are used legally for intended purposes

(2) Approve and handle the procedures of importation/exportation of the goods, depending on where they are going

(3) Verify, write off, and close the case



## **(III) Duty & Tax Collection Operations**

### **1. Commodity Classification**

Pre-classification, classification by the document inspection center, classification by operational sites of Customs, Lab test for classification, classification hearings, challenge of classification, notification on collection of duties & taxes which fail to be collected, classification monitoring & assessment

### **2. Valuation**

Pre-valuation, valuation by the document inspection center, valuation by operational sites of Customs, centralized valuation, facilitated valuation, professional appraisal of dutiable value, coordinated management of valuation, consultation or suspicion over prices, anti-valuation fraud

**Note: The contents of duty & tax collection operations and the contents of Customs control operations do overlap**



### **3. Product Origin Determination**

Determination of Preferential & Non-preferential Places of Origin, Networked Verification of Certificates of Origin, Monitoring & Analysis, and Early Warning.

### **4. Examination & Approval for Duty & Tax Relief**

Examination & Approval for Duty & Tax Relief, Follow-up Monitoring, and Evaluation & Analysis of Duty & Tax Relief Management

### **5. Assessment and Collection of Duties, Taxes and Charges**

Setting and application of duty & tax rates, their calculation, payment, refund, recovery of evaded amount, and administrative review for disputes



## **(IV) Logistics Monitoring Operations**

### **1. Logistics Monitoring for Entry & Exit Clearance**

Physical Monitoring, Information Monitoring, Execution of Goods Inspections, Logistics Monitoring for Exports yet to be cleared

### **2. Logistics Monitoring for Bonded, Duty-free Goods**

Monitoring over legality of processing, storage and use of goods subject to follow-up Customs control, and logistic monitoring for such goods yet to be cleared

### **3. Logistics Monitoring for Other Goods Subject to Follow-up Customs Control**

**Note: The contents of Logistic Monitoring Operations and Goods Clearance Logistics Monitoring Operations and Logistic Monitoring for Goods Subject to Follow-up Customs Control and Yet to Be Cleared do overlap.**



## **(V) Audit-based Control Operations**

### **1. Customs Inspection Targets**

(1) Businesses & organizations directly related to Import & Export Activities

(2) Import & Export Activities involved when Customs carries out audit-based control over the businesses or organizations

### **2. Methods of Customs Audit-based Control**

Accounts inspection, investigation, inventory check, analysis

### **3. Types of Customs Audit Operations**

Routine audit, special audit and validation audit.



## 4. Implementation Procedure of Customs Audit-based Control

- (1) Issue a Notification
- (2) Conduct the audit
  - ① compliance assessment on the businesses or organizations
  - ② substantive tests concerning the businesses or organizations
  - ③ Check and make photocopies of account books, bills, documents of the businesses or organizations
  - ④ Inspect the conditions of production operations and goods related to Import & Exports
  - ⑤ Extended audit, and so on
- (3) Audit Report and Conclusion



I. Organizational Structure for Implementation of Customs Management

II. Operational System for Implementation of Customs Management

III. Procedure for Implementation of Customs Management



# **(I) Procedure of Execution of Operations**

## **1 . Early Stage Management (Before Entry & Exit)**

Refers to the process whereby the consignee/consignor or the agent thereof applies for registration & recordation with Customs before entry & exit of goods, in accordance with the customs regulatory requirements for bonded goods, goods enjoying specified duty & tax relief, temporary import s& exports.





## 2 . Entry & Exit Management ( During said period )

Refers to the process whereby the consignee/consignor or the agent thereof applies for import/export declaration, offers assistance for goods inspection by Customs, pay duties, taxes and charges, claim or load goods, in accordance with the customs regulatory requirements for imports & exports.



### **3 . Follow-up Management (After Entry & Exit)**

Refers to the process whereby the consignee/consignor or the agent thereof applies to Customs for verification, domestic sales, re-exportation, carry-over, write-off, and cessation of control, during the storage, processing, assembly, usage, maintenance, repair of the goods, depending on the actual situations, in accordance with the customs regulatory requirements for bonded goods, goods enjoying duty/tax relief, or temporary imports & exports.



# Basic Procedures of Customs Management

Type of Goods Subject to Customs Control	Early Stage Management (Before Entry & Exit)	Entry & Exit Management (During said period)	Follow-up Management (After Entry & Exit)
Normal Imports & Exports			
Goods Enjoying Specified Duty/Tax relief	Application for Duty/Tax Reduction or Exemption	<ul style="list-style-type: none"> <li>① Import &amp; Export Declaration (Customs Acceptance of Declaration)</li> <li>② Offer assistance for goods inspection (Customs conducts Inspection)</li> </ul>	<ul style="list-style-type: none"> <li>① Time Limit Management</li> <li>② Cessation of Customs Control upon expiry of the time limit</li> <li>③ Advance Handling of Depreciation, payment of duties and taxes unpaid but supposed to be paid</li> </ul>
Bonded Goods	Registration and recordation for Processing Trade	<ul style="list-style-type: none"> <li>③ Payment of duties, taxes and charges (Customs collects payment)</li> <li>④ Claim or load the Goods (Released by Customs)</li> </ul>	<ul style="list-style-type: none"> <li>① Monitor Processing and Storage</li> <li>② Handle procedure based on where the goods are going</li> <li>③ Verify, write off and close case</li> </ul>
Temporary Imports & Exports	Administrative licensing for temporary entry & exit and recordation for exhibition items		<ul style="list-style-type: none"> <li>① Monitor Usage</li> <li>② Handle procedure based on where the goods are going</li> <li>③ Verify, write off, and close case</li> </ul>
Other Imports & Exports	Recordation of Information on	Inspect & conclude materials processing and item repair	



## (II) Workflow Diagram

1. Flow Chart of Customs Administration of Imports/Exports (Consolidated Version)
2. Flow Chart of Customs Administration of Entry/Exit
3. Flow Chart of Declaration Processing
4. Flow Chart of Customs Administration of Bonded Goods for Processing



# 海关管理作业总流程

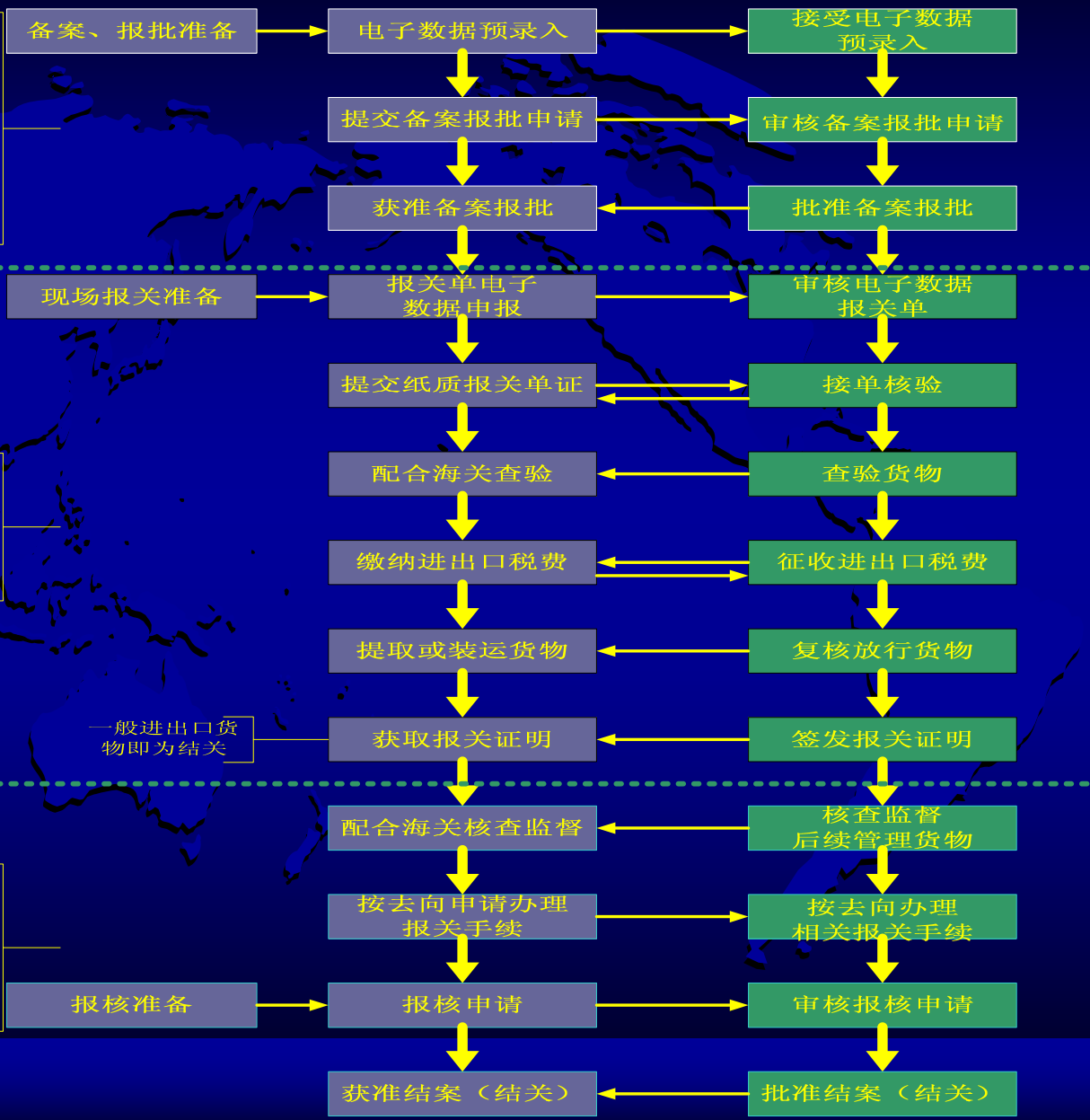
## 报关作业流程

## 海关管理作业流程

**前期阶段**  
在货物实际进出境前，向海关办理包括加工贸易保税货物的登记备案、特定减免税货物的减免税报批、暂准进出境货物的行政许可等手续的过程

**进出境阶段**  
在货物实际进出境时，向海关办理包括申报、配合查验、缴纳税费和提取或装运货物等进出境手续的过程

**后续阶段**  
在货物实际进出境后，在规定的期限内就货物储存、加工、装配、使用、维修向海关办理核查、核销手续的过程





# 进出境管理作业流程

## 报关作业流程

## 海关管理作业流程

经海关同意，可以在申报前查看货物或者提取货样；准备好报关单证和货物。

由报关数据预录入、发送、查询审单结果、应对处理、修改或撤销等环节组成

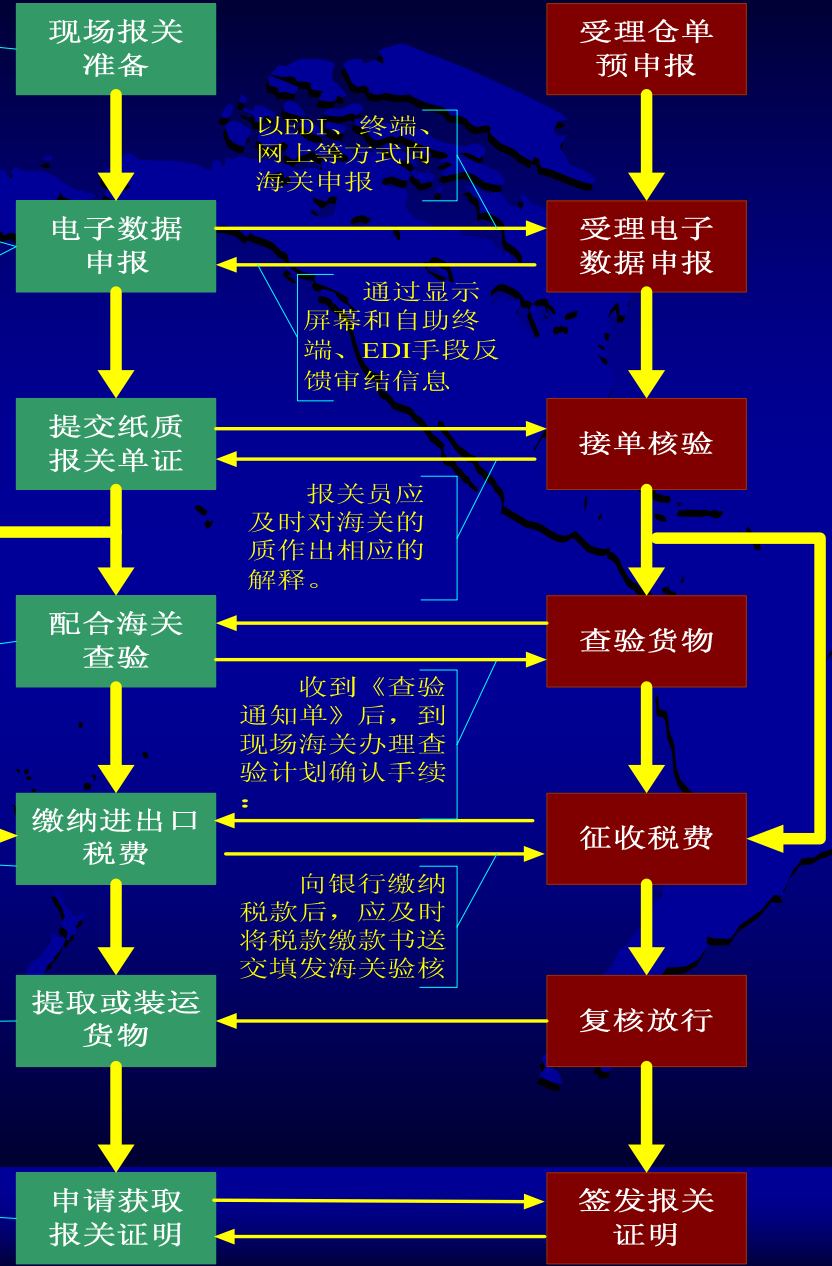
未通过海关逻辑审核或因故申请修改或撤销，修改后重新申报或撤销申报。

到场负责搬移货物，开拆和重封货物的包装，回答询问、提供必要的资料

在网上通过中国电子口岸数据平台或前往指定银行办理缴纳税费手续

凭海关签发的提货凭证或装运凭证提取或装运货物

进口货物在经海关放行、出口货物在办理结关离境手续后，可以向海关申请签发报关单证明联。



以EDI、终端、网上等方式向海关申报

通过显示屏和自助终端、EDI手段反馈审结信息

报关员应及时对海关的质作出相应的解释。

收到《查验通知单》后，到现场海关办理查验计划确认手续

向银行缴纳税款后，应及时将税款缴款书送交填发海关验核



# 报关作业流程

# 海关管理作业流程

## 受理申报作业流程

将报关单数据输入电脑，形成电子数据报关单并经确认无误待向管辖地海关审单中心传输

以终端申报方式或EDI申报方式或网上申报方式向海关计算机系统发送报关单电子数据

查询海关计算机系统自动对外发送和海关审单中心对外发送的处理结果

未通过海关逻辑审核或因故申请修改或撤销的，修改后重新申报或撤销申报

打印纸制报关单并加盖报关单位的报关专用章，备齐应递交的报关单证

接到海关“现场交单”或“放行交单”通知之日起10日内，递交书面单证并办理相关海关手续

在海关对纸质报关单及随附单证进行审核的过程中或审核结束后，可以查询其对外发送的处理结果

### 报关准备

报关单电子数据预录入

向海关发送报关单电子数据

查询海关审核报关单电子数据情况

应对海关反馈审核处理通知

准备纸质报关单证

向海关提交纸质报关单证

查询海关审结处理情况

进入下一环节

集中审核报关单电子数据

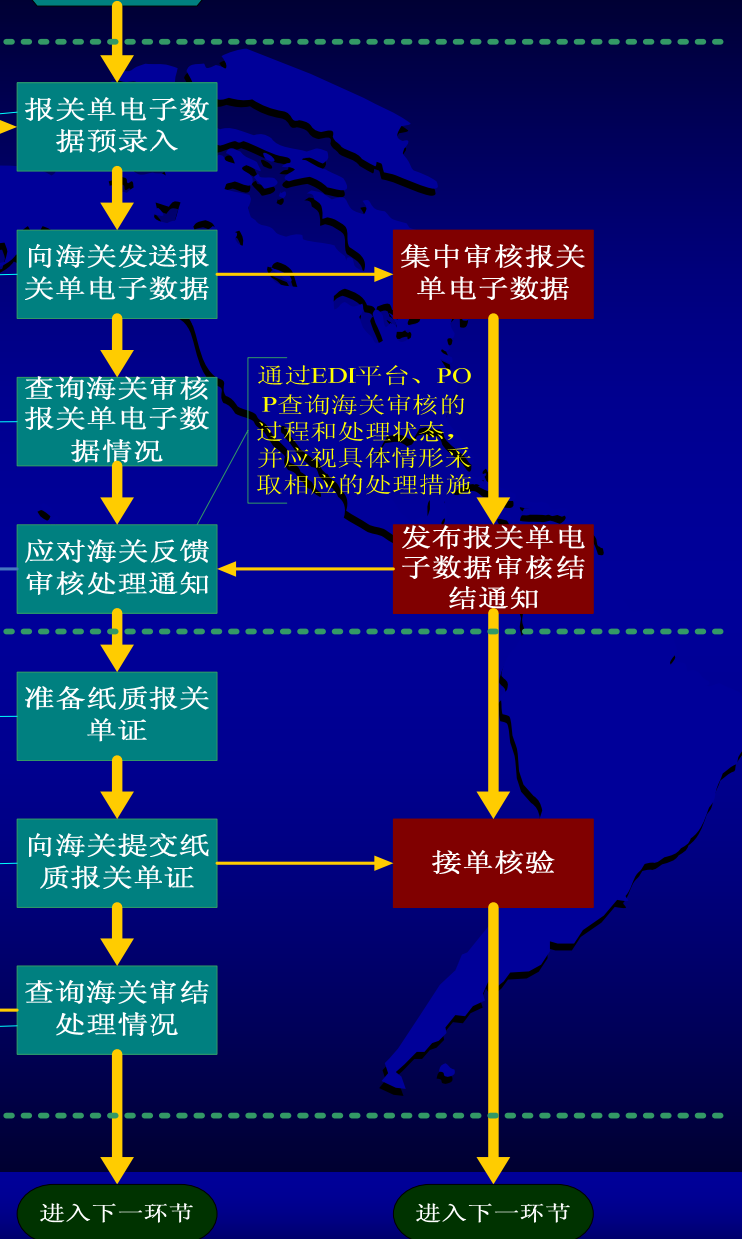
通过EDI平台、POP查询海关审核的过程和处理状态，并应视具体情形采取相应的处理措施

发布报关单电子数据审核结论通知

接单核验

进入下一环节

修改或撤销报关单





# 保税加工管理作业总流程

## 报关作业流程

## 海关管理作业流程

前期阶段  
(进出境前需要  
办理的海关手续)

进出境阶段  
(进出境时需要实  
际办理的海关手  
续)

后续阶段  
(进出境后需要继  
续办理的海关手  
续)

申请登记备案 (纸质  
或电子)

办理料件进口报关  
手续

加工期间配合  
海关核查

按货物去向办理  
报关手续

申请办理核销结案  
(报核) 手续

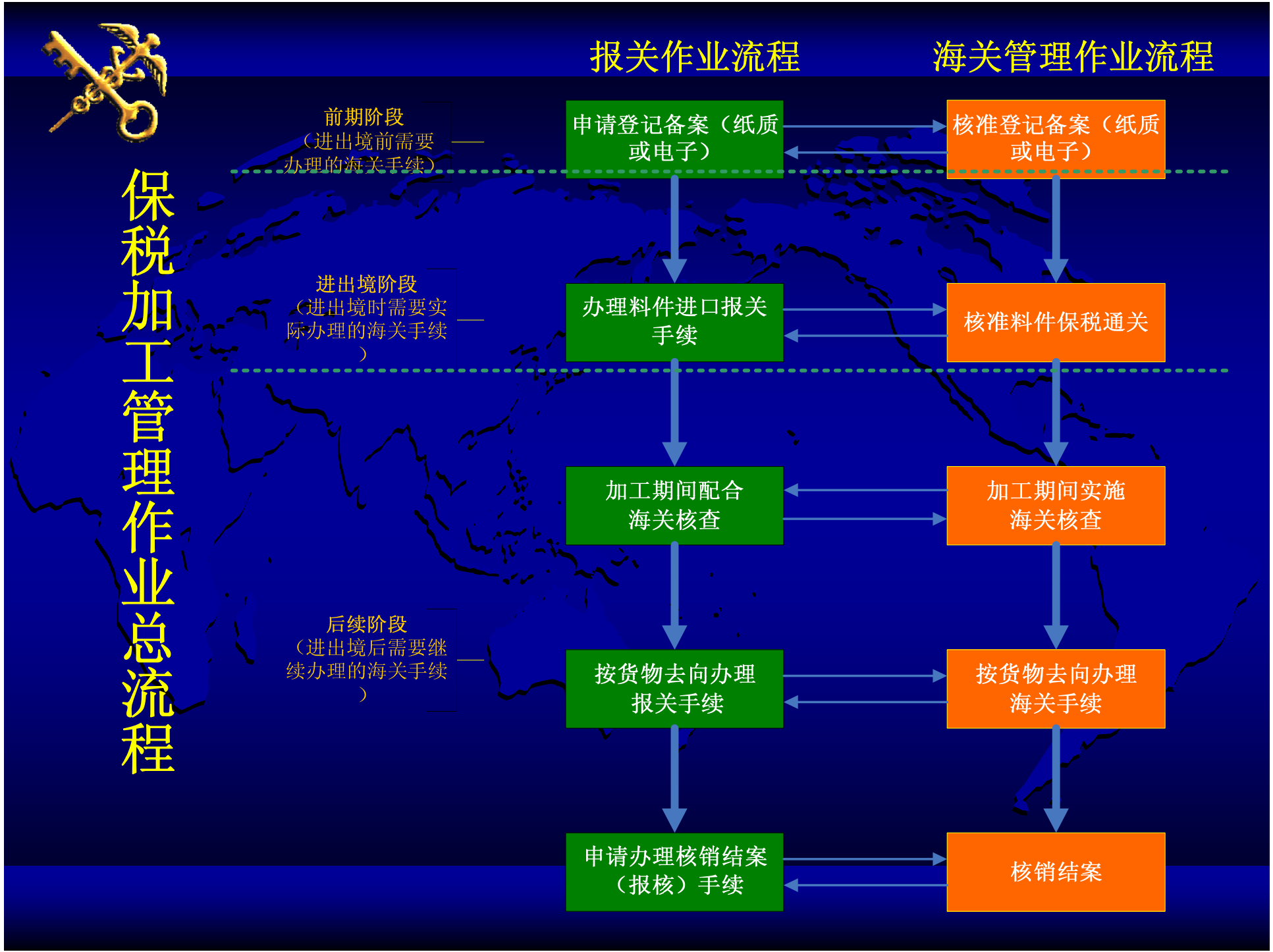
核准登记备案 (纸质  
或电子)

核准料件保税通关

加工期间实施  
海关核查

按货物去向办理  
海关手续

核销结案







## **(III) Simplified Operating Procedure**

### **1. Basic Principle for Simplified Operating Procedure**

- (1) Localizing of Customs Procedures
- (2) Personalizing of Customs Procedures
- (3) Consolidating of Customs Procedures

### **2. Primary Form for Simplified Operating Procedure**

- (1) Stage-based or Periodic Summarizing of Declarations
- (2) Diversify Customs Declaration Forms
- (3) Synthesis of Selected Inspection and Post-release Inspections
- (4) More Flexible Release Conditions
- (5) Report on Local Port Clearance