

China

Chinese Customs – Advance Ruling System

Compiled by:

Swiss Business Hub China

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On 6th July 2013 Switzerland and China signed a bilateral Free Trade Agreement (FTA), which is the first comprehensive bilateral Free Trade Agreement between China and a country in continental Europe, and China's first with one of the 20 leading global economies. The agreement will enter into force once both sides have completed the necessary steps for ratification, probably this summer.

The FTA includes an “advance ruling” system to simplify the Customs procedures.

An advance ruling is issued to an applicant to enable him to fill in customs declarations properly, the customs office replies an inquiry regarding goods that need to be imported.

If you are exporting to China and would like to get an advance ruling, you will need to contact China Customs authorities. As stipulated in Article 4.6 in the FTA, China Customs shall in a reasonable, time-bound manner issue a binding, written advance ruling upon submission of a written request that contains all necessary information to an importer, producer or exporter with regard to:

- (a) tariff classification of a product;
- (b) the method of the transaction value to be used for determining the customs value under a particular set of facts;
- (c) the rules of origin it will accord to a product; and
- (d) such other matters as the Parties may agree.

In practice applications for an advance ruling will only be accepted from a company, which has a physical presence in China and is registered with China Customs. This can be done through your own trading WFOE (Wholly Foreign-Owned Enterprise) in China or through a duly authorized representative in China.

As a general rule, the advance ruling requires an inquiry to be submitted in written and the ruling to be issued also in written. Normally the Chinese Customs office will issue a written ruling within 15 working days after confirmed receipt of the inquiry. The written ruling is valid for one year. During this one-year-validity, it's not necessary to require an advance ruling again for any further delivery of the goods if the HS code of the goods remains the same.

The request for the advance ruling should be submitted to the relevant local customs authority, where the goods will arrive. The necessary documents mainly include:

1. "China Customs -- Application form for an advance ruling on the tariff classification" in printed out & electronic version. The application form for an advance ruling on the tariff classification can be downloaded at General Administration of Customs of China <http://service.customs.gov.cn/Default.aspx?Tabid=7195>
(Enclosed to this article, we provide this application form in Chinese with English translation for reference)
2. The relevant information of the imported goods, like specification, working principle, performance data, functional description, purpose, processing methods, analytical methods, import and export schedule etc. Brochures, pictures and samples of the goods may also need to be provided if necessary. Product information in a foreign language should be translated into Chinese.
3. The copy of business license or the customs registration certificate of the applicant.
4. Other supporting documents requested by the local customs authority.

Before applying for an advance ruling, it's strongly suggested to call the Chinese Customs hotline "12360" to clarify the procedure and required documents by the relevant local customs authority. Telephone number "12360" is a nationwide, around-the-clock advisory hotline of Chinese Customs.

Following information regarding tariff classification is available only in Chinese at the official website of General Administration of Customs of China.

- Announcement of tariff classification can be viewed at <http://service.customs.gov.cn/Default.aspx?Tabid=7192>
- Inquiry for the decision on tariff classification is available at <http://service.customs.gov.cn/Default.aspx?Tabid=7193>

The website and the hotline for the important local customs authorities are as listed below

- Beijing Customs
<http://beijing.customs.gov.cn>
Hotline: ++86 10 12360

- Shanghai Customs
<http://shanghai.customs.gov.cn>
Hotline: ++86 21 12360
- Guangzhou Customs
<http://guangzhou.customs.gov.cn>
Hotline: ++86 20 12360
- Tianjin Customs
<http://tianjin.customs.gov.cn>
Hotline: ++86 22 12360
- Qingdao Customs
<http://qingdao.customs.gov.cn>
Hotline: ++86 532 12360
- Dalian Customs
<http://dalian.customs.gov.cn>
Hotline: ++86 411 12360

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