

Global Trade News Alert

Chinese government announces Advance Decision mechanism for customs matters

Introduction

China's General Administration of Customs (GAC) released a rule on 27 December 2017 that formally introduces an advance decision (AD) customs mechanism relating to goods that are imported into and exported from China. The new AD mechanism will take effect on 1 February 2018.

Customs Advance Decision

Under the new rule, importers and exporters may request an AD on tariff classification, origin of goods and customs valuation matters.

An AD application must be submitted directly to the Customs office in the place where the applicant is registered and must be filed at least three months before the actual import or export of the goods. The Customs authorities will confirm acceptance or denial of the application within 10 days, with the decision generally issued within 60 days. The AD is binding, and will be valid for three years from the date of issuance. The Customs authorities may publish the AD. (Additional details on the AD can be found on the GAC website in Chinese only).

What does this mean for you?

Following the national reform of China's customs clearance procedures in mid-2017, the Customs authorities have enhanced customs compliance through post-clearance audits and comprehensive investigations. The AD mechanism is expected to provide more certainty to businesses that are importing and exporting goods in China. The issuance of an AD should mitigate potential risks relating to the application of the correct tariff

classification, the correct origin of the goods and the correct customs valuation of the goods.

Action steps?

Potentially affected importers and exporters should consider obtaining an AD.

Deloitte's Global Trade Advisory Team is available to assist you with submitting an AD application and provide more information on the AD process.

Please do not hesitate to contact us if you have any questions.

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