

# CHINA CUSTOMS.



A guide to China Import Customs.  
October 2010



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# INTRODUCTION

## DHL CHINA

DHL Express has been operating in China since 1986 in a 50/50 joint-venture agreement with Sinotrans (China National Foreign Trade Transportation (Group) Corporation) – a large Chinese transport corporation with interests and activities stretching across all transport modes, including sea, air and ground.

Being the first international express company to enter China, DHL has extensive experience and a deep knowledge of this market. Over the last 24 years, DHL-Sinotrans has been recognized as the market leader and a pioneer in the Express and Logistics industry in China.

We maintain market leadership with market share of over 30 percent. The company currently has close to 6,000 employees, more than 1,680 courier vehicles, 178 physical facilities and our presence extends to more than 401 Chinese cities.

Determined to be First Choice for our customers, DHL offers world-class, speedy, reliable quality services. Our strong worldwide network and expertise in the international market also benefits fast-growing local companies that intend to go global, making it a win-win proposition for both ourselves and our customers.



# CHINA IMPORT CUSTOMS CLEARANCE PROCESS

## INTRODUCTION

For air-freight, DHL China runs customs clearance operations at several locations which include:

- Beijing (PEK)
- Chengdu (CTU)
- Dalian (DLC)
- Shanghai Pudong (PVG)
- Guangzhou (CAN)
- Qingdao (TAO)
- Shenzhen (SZX)
- Wuhan (WUH)
- Xi'an (XIY)
- Xiamen (XMN)



There are several factors which affect the Customs clearance requirements and clearance time of freight at the point of importation into China. These include factors such as, value of goods, product code and description of goods etc.

Below is a matrix of how these factors dictate what documentation is required by Chinese Customs and how the freight is subsequently delayed.

### Value thresholds for documentation required on import into China

Product Code	Description		Criteria	Dutiable?	Declaration Form to be used	Clearance Paperwork/ Information required from Consignee	Clearance Time
DOX	Document		–	No	KJ1	N/A	Upon arrival
WPX	Personal Effects		Individual to individual name only, value limit – CNY800.00 (HK/ TW/MP origins) – CNY 1,000.00 (other origins)	Yes	Personal Effects Form	Personal ID or passport copy, Letter of Explanation, Stamped Baggage Declaration Form (unaccompanied baggage only)	2 business days
WPX	Cargo	Samples & Advertising Matters	Value <CNY5,000.00 & Duty amount <CNY50.00	No	KJ2	CR Number & POA	Upon arrival
			Value <CNY5,000.00 & Duty amount <CNY50.00 Commodity does not require import license	Yes	KJ3	CR Number & POA	1 business day
WPX	Cargo	General Cargo	Value <CNY5,000.00, commodity requires import licence; or general trade shipment with payment term shown on commercial invoice CNY5,000.00	Yes	H2000	POA with CR number & HS Code, Customs Handbook or Import License or any other related documents (if applicable)	2 business days

# CHANGES TO CHINA IMPORT REGULATIONS

Recent Customs legislation changes have caused more stringent clearance procedures which are notably through "Order 33" and "Order 43."

## ORDER 33

### Harmonized System Codes ("HS Code")

- All shipments (with the exception of documents) being imported into China will require a Harmonized System Code to be indicated on the Customs declaration forms.

The "interactive classifier" within the DHL TAS (Trade Automation Service) website can be used for finding the relative HS code: <http://tas.dhl.com/tas/servlet/login>

### Change to Deminimis Status

- Previously the deminimis value was based on the declared value of the goods. This is now assessed on whether the duty is less than CNY 50.00 (approx USD 7.00) as to whether the shipment is deemed as deminimis. This includes samples and advertising articles valued at CNY 400 which were previously duty free.

This change now causes a Customs declaration to be calculated and completed to establish the "deemed duty" thus affecting clearance time.

### Importer and Exporter Customs Registration codes ("CR Code")

- All importers and exporters in China are required to register with Customs authorities for an importer or exporter Customs Registration Codes or IOR / EOR (Importer / Exporter of Record). The CR code is to be indicated on the Customs declaration forms for all shipments, except for documents and personal effects.

Customers in China can access the following Customs websites to find out the guidelines and procedures on how to get registered with China Customs to get a CR number for import and export activities.

#### BEIJING:

<http://beijing.customs.gov.cn/tabid/29866/Default.aspx>

#### SHANGHAI:

<http://shanghai.customs.gov.cn/Default.aspx?tabid=5771>

#### GUANGZHOU:

<http://guangzhou.customs.gov.cn/tabid/4028/Default.aspx>

#### SHENZHEN:

<http://service.customs.gov.cn/default.aspx?tabid=12293>

## ORDER 43

- Personal effects are limited to unaccompanied baggage (luggage or articles transported separately from passenger) or as commodity / gift sent from private individual to private individual (sent from relatives or friends) and within a reasonable quantity for personal use.
- Business to Consumer (B2C) including internet shopping shipments cannot be cleared as personal effects, instead they should go through general Customs clearance process (informal / formal) which requires IOR (Importer of Record).
- The Value limit on personal effects is CNY 800.00 (approx USD 117.00) from/to Hong Kong, Macau and Taiwan or CNY1,000.00 (approx. USD147.00) from/to other countries.
- Shipments that exceed the above value threshold will not be allowed to be cleared as Personal Effects, except for instances when there is only one single item inside a shipment and the value for that single item is already over the above value threshold. Those shipments will then need to be reviewed and approved by Customs on a case by case basis.

# CHINA IMPORT CUSTOMS CLEARANCE PROCESS

## GENERAL INFORMATION

The following is a summary of the regulations when importing shipments into China. Further information regarding importing goods into China and Customs regulations can be found on the website below:

<http://english.customs.gov.cn/publish/portal191/>

For “**Document**” commodities such as manuals, business cards, photographs and catalogues, these will only require a DHL Waybill to be completed. This is with the exception of shipments containing personal mail for foreign students or tourists who cannot provide a Chinese passport.

For all **dutiable** shipments, an invoice (provided by the shipper) will be required. This must include:

- Number and date of issue
- Full name and address of shipper and receiver, including contact details
- Description of goods in plain language and sufficient detail
- VAT numbers for shipper and Receiver if Applicable
- Harmonized System Code (“HS Code”)
- Customs Registration codes (“CR Code”)
- Total value of goods
- Currency
- Country of origin (of goods)
- Payment terms (value for customs only for example)
- Delivery terms
- Signed and stamped (if applicable)

There are several commodities that attract further shipping requirements. To the right is a list of these items and what is required for each. If you are considering shipping any of these items it is advisable to contact your local DHL Customer Services who can offer further clarification:

### **Alcoholic beverages, Cosmetics, Grain samples, Seeds, Foodstuffs & Plants**

The importer must obtain a Certificate of Quarantine from the Local Inspection & Quarantine Authority. Clearance time depends on the importers ability to obtain the Certificate.

### **Communications equipment & Computer components & parts**

This includes mobile phones, pagers, communication equipment, spare parts, radio receivers & transmitters. These items can only clear after the importer obtains an import licence issued by Provincial Mechanical & Electronic Office and the China Compulsory Certificate (CCC) from local Commodity Quality Inspection Authority.

### **Compact discs and Diskettes**

CD ROM / Computer software must not be undervalued and the purpose of software must be stated on the invoice for example, commercial, entertainment, research, training, company and internal use. If for commercial and entertainment purposes the importer must obtain an import licence of Audio and Video Products from the Local Culture Authority. If the purpose is for research, training or company internal use then no import licence is required.

### **Diplomatic mail**

If under diplomatic seal or the shipment with embassy address, then the shipment can only be cleared by the embassy or other government organisation. DHL will deliver after clearance is completed. Expected delays for clearance would be 12-24 hours depending on the importers ability to clear.



### **Drugs: Non-prescription & Prescription**

These items can only clear after the importer obtains a Medical Inspection Certificate issued by the Bureau of Health and Sanitation. Expected delays for clearance would be 24–72 hours depending on the importers ability to obtain the certificate.

### **Personal effects**

The importer must provide a copy of their passport or residency permit before clearance. Always ensure comprehensive contact numbers and email address are stated where possible. Expected delays for clearance would be 24–48 hrs.

### **Ship spares**

For Duty free import, authorised shipping agent must perform the clearance in the port city at which ship is waiting. In this case DHL cannot perform the customs clearance.

### **Tapes: video cassettes**

Video tapes for resale & any master tapes require an import license issued by Ministry of Culture or (local) Culture Bureau; or an issuance permit for program (Issuance Permit for Audio/Video products, Release for Prototype Tape) from the China Broadcast, Film and TV Bureau.

### **Tobacco**

For Cigarette imports into China – Import License and Certificate of Quarantine must be provided by the importer for clearance.

## **IMPORT VAT**

The standard rate of VAT that is imposed on import of goods into China is 17%. This is calculated against the CIF value (Customs value + cost of insurance and freight).

A lower rate of 13% applies to goods such as books, newspapers, magazines, cereals, edible vegetable oils, tap water, heaters, coal products for residential use and other goods as prescribed by the State Council.

In respect of goods sold by certain small scale taxpayers, a special VAT rate of 6% is applied.

## **IMPORT DUTIES**

The tariff / duty rates for imports into China fall into two categories; general tariff rates and preferential tariff rates.

- The general tariff rates apply to the imports originating in the countries with which the People's Republic of China has not concluded most-favoured-nation trade agreements. The general tariff rates for importation range from 0%, 8% to 270% with over 20 different rates.
- The preferential tariff rates apply to imports originating in the countries with which the People's Republic of China has concluded most-favoured-nation trade agreements. The preferential tariff rates vary from 0%, 1% to 121.6% with over 50 different rates.

# CHINA PROHIBITED AND RESTRICTED COMMODITIES

## GENERAL GUIDE TO PROHIBITED/ RESTRICTED COMMODITIES

The items listed below are defined as prohibited/restricted for import into China:

- Animal Skins
- Antiques
- Asbestos
- Biological substance, Category B UN3373
- Dangerous goods
- Firearms or parts of
- Furs
- Gambling devices
- Ivory
- Jewellery
- Military equipment
- Perishables
- Personal mail
- Pornography
- Precious metals & stones
- Rader equipment i.e. transmitters / receivers.

If you considering importing any of the goods shown above, it is highly advisable that you consult the Chinese Customs website for your specific commodity, to avoid sending shipments without the correct documentation etc. and subsequently having the goods returned or destroyed.

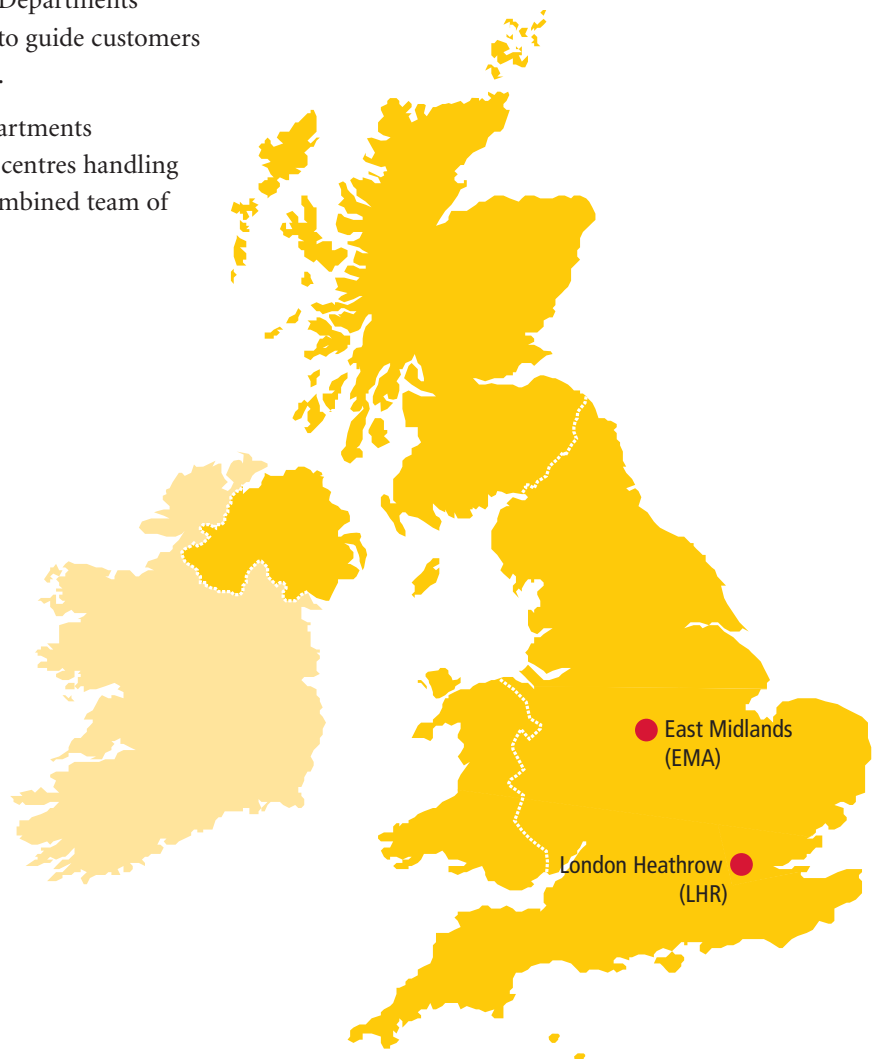




# UK CUSTOMS CLEARANCE PROCESS

## INTRODUCTION TO THE DHL UK CUSTOMS CLEARANCE PROCESS

- DHL work in partnership with UK Customs to simplify Import and Export procedures in order to provide you, the customer with the fastest possible transit time.
- DHL International (UK) Ltd are an AEO (Authorised Economic Operator) certified business.
- Large dedicated Import and Export Departments including a free of charge Helpdesk to guide customers on up-to-date Customs Compliance.
- Excellent local customer service departments responsive to customer needs: 2 call centres handling more than 26,000 calls per day. A combined team of over 650 people.
- UK Customs Field Support personnel; to support our customers by providing specialist UK Customs advice.
- East Midlands Hub handles over 85,000 shipments a night.
- London Heathrow Hub Utilises over 100 commercial flights per day.



# UK CUSTOMS CLEARANCE PROCESS

## GENERAL INFORMATION ON UK CUSTOMS CLEARANCE PROCESS

- An Airwaybill and Invoice will be required for any dutiable shipments, this must show the shipper and consignee's full address (including contact details)
- Customs duties in the UK are calculated on the CIF value (value of goods + freight charge)
- Shipments valued less than the Deminimus value of 18.00 GBP will usually enter the UK under a bulk declaration with no duties or tax to pay, or additional paperwork required.
- Shipments valued over 18.00 GBP will usually attract duties and VAT (Value Added Tax) however there are exceptions to this rule i.e. temporary imports, goods under the RGR (Returned Goods Relief) regime etc. The current rate of VAT is 17.5% which is due to rise to 20% on the 1st of January 2011. Duty rates vary dependant on the commodity code applied and purpose of import.
- Shipments valued between 18.00 GBP and 135.00 GBP are usually exempt from duty under a specific Customs Procedure Code that allows for duty relief. VAT is still levied at the appropriate rate however.
- Shipments with a value exceeding 600 GBP (unless consigned to a private individual) will require an EORI (Economic Operator Registration Identification) number before formal clearance can take place.
- For shipments with a Duty and VAT amount exceeding 1000.00 GBP, a Promise to Pay Form will be required before formal clearance can take place. Exceptions to this rule are imports for which the importer owns their own Deferment Account.

There are several commodities that attract further shipping requirements (such as additional documentation). Below is a list of these items and what is required, if you are considering shipping any of these items it is advisable to contact your local Customer Services who can offer further clarification:

### **Alcoholic Beverages**

The invoice must declare the volume of liquid and the percentage of alcohol, high rates of duty may apply. When sending wine shipments exceeding 100 litres in volume a VI1 will be required.

Shipments containing alcohol being sent to a private individual MUST always be sent to a permanent residence.

### **Animal Skins**

These may require a CITIES license to be imported. You should seek further information from the CITIES team if you are looking to import such items.

### **Foodstuffs**

The following food items from outside the EC are no longer permitted on the DHL Express network and cannot be sent to the UK: Meat, Fish, Dairy products, Honey, Nuts, Basmati Rice, Spices, Chillies, Chilli products, Fresh Fruit, Mangoes, Fresh Vegetables. If you have foodstuffs not covered by above prohibitions, you must gain prior authorization to ship to the UK. If shipments arrive without having authorization, they will be returned to origin. All shipments of food must be accompanied by a detailed invoice listing each individual food item.

### Personal Effects

For any personal effects, to be exempt from Customs duties either of the following will be required:

- **Temporary visitor statement:** if the importer intends to be in the UK for less than 2 years, a statement will be required with the reason for intended visit, arrival and departure dates into the UK.
- **Customs C3 form:** for persons who are relocating / moving to the UK or students coming to study in the UK (for more than 2 years), this form will be required to be completed by the importer.

### Plants and Plant Products

These products are accepted into the UK providing they are accompanied with the relevant documentation e.g. Phyto Sanitary Certificate.

### Textile shipments

For shipments containing textile products, the following paperwork normally applies:

- Airwaybill & Invoice
- Certificate of Origin
- Import licence (if applicable)

### Soil / Mud samples

A Letter of Authority is required to travel with all shipments containing samples of mud or soil.

### Ship spares

An additional charge of £25.00 GBP (36.00 USD) will apply to cover paperwork handling. This will be billed to the Importer or Agent. An expected delay of 24 hours would normally apply.

### Cigarettes

Cigarettes being sent to a Private Individual are PROHIBITED and will be automatically be returned to Origin. Please ensure that the invoice clearly states the exact quantity of cigarettes/cigars/tobacco enclosed i.e. quantity and weight.

**For any of the following items, it is advisable that you contact your local DHL Customer Services who can offer further clarification regarding shipping requirements:**

- Biological Substances under Cat B, UN3373
- Cheques, blank
- Communications equipment
- Prescription & Non-prescription drugs
- Ivory
- Perishables
- Antiques
- Non-hazardous chemicals
- Dangerous goods
- Firearms or parts of
- Furs
- Jewellery
- Medical samples
- Works of art
- Precious metals & stones

# UK IMPORT DUTIES

## SPECIFIC GUIDELINES\* ON UK IMPORT DUTIES FOR KEY INDUSTRIES

The following is a summary of the UK Customs tariff book for importation of goods into the United Kingdom.

The duty rates quoted are to be used as a guideline only. All specific tariff information, including duty rates, should be checked by the shipper/consignee prior to shipping. DHL will accept no responsibility for differences between the guidelines below and the actual duty UK Customs apply to goods of a similar description.

Further information regarding duty rates, prohibitions and restrictions can be found on the website below:

<http://www.businesslink.gov.uk/bdotg/action/tariffFilter?key.commodityCode=6214900099&simulationDate=20%2F10%2F08&export=false&x=24&y=2>

### UK CUSTOMS TARIFF FOR IMPORTATION OF GOODS INTO THE UNITED KINGDOM

Industry / Duty Notes / Procedure	
<b>Automotive</b> Cars, Car Parts and Specialised Vehicles: 2 – 4.5% Trucks: 10% Trucks Parts: 2 – 4.5% Civil Aviation:* Free  *Civil Aviation commodities imported for End Use in the UK are exempted from Duty (and VAT if the aircraft meets a certain criteria) if the consignee is End Use Registered with UK Customs.	
<b>Engineering &amp; Manufacturing</b> General Machine Parts & Tools: 0% – 5%	
<b>Publishing, Media, Education**</b> Books/Paper/Printed Matter:* Free Photographic Commodities: 0% – 6%  *Books and Printed Matter are exempted from VAT and Duty. Plain paper is Duty Free but still retains VAT.  **Shipments destined for universities and other research institutes can be exempted of paying VAT on imported goods, provided the university is registered for VAT exemption and the commodities are for research purposes.	
<b>Electronics</b> Batteries: 5% – 15% Cell Phones: 0% – 5% Integrated Electronic Circuits: Free Tapes, and other Recording media: 0% – 4.9%	
<b>Textiles</b> Clothing / Garments:* 8% – 12% Carpets/Rugs: 8% – 12% Children's clothing is exempted from VAT  *Genuine shipments of samples can obtain full Duty & VAT relief.	
<b>Life Sciences</b> <b>Medicaments –</b> Medicines: Free  <b>Medical Devices –</b> Medical Furniture: Free Medical Instruments: Free  Shipments destined for Hospitals and other medical research institutes can be exempted of paying VAT on imported goods, provided the institute is registered for VAT exemption and the commodities are for research purposes.	
<b>Chemicals</b> Fertilizer, Pigments: 0% – 6.5% Inorganic, Organic: 0% – 5.5%	
<b>Cosmetics</b> Perfumes, Cosmetics: 0% – 6.5%	

# UK BANNED COMMODITIES

## GENERAL GUIDE TO UK BANNED COMMODITIES

All items violating British trademarks/copyrights are prohibited.  
The following items are also not acceptable for import into the UK:

- Animals
- Bullion
- Currency
- Asbestos
- Cash letters (NI)
- Credit card blanks (NI)
- Credit cards (NI)
- Deeds
- Pornography
- Human remains, including ashes

The above guide provides an overview of importing into the UK, however you should always contact the **UK Customs National Advice Service** for more information if you are unsure of any aspect regarding importing into the UK.

It is the customer's ultimate responsibility to ensure that they are not breaking the law.



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