

Measures of the Customs of the People's Republic of China on the Origin of Imported Goods with Special Preferential Tariff from the Least Developed Countries

1. These measures are formulated to correctly determine the origin of the imported goods with special preferential tariff from the least developed countries that have established diplomatic relations with China and promote economic and trade exchanges between China and related countries in accordance with the relevant provisions of the Customs Law of the People's Republic of China and the Regulations of the People's Republic of China on the Origin of Import and Export Goods.
2. The measures are applicable to the origin control of goods imported from the least developed countries (hereinafter referred to as the favored countries) which have established diplomatic relations with China and enjoy special preferential tariff.
3. If the imported goods meet one of the following conditions, the nation of origin shall be the favored nation:
 - (1) Wholly obtained or produced in the favored nation;
 - (2) All goods produced within the territory of the favored nation using original materials conforming to the provisions of these measures;
 - (3) Goods that are not fully acquired or produced in the territory of the favored nation, but are substantially changed in the favored nation.

The term "substantial change" mentioned in Item (3) of the first paragraph of this article shall be determined in accordance with the standards specified in Articles 5 and 6 of these measures. If goods originating in the favored nation are transported directly from the favored nation to China, they may apply for the application of the corresponding preferential rate in the Import and Export Tariff of the People's Republic of China (hereinafter referred to as the Tariff) in accordance with the provisions of these measures.

4. The term "goods wholly obtained or produced in the favored nation" mentioned in Article 3, paragraph 1 (1) of these Measures refers to:
 - (1) Live animals born and bred in the favored nation;
 - (2) Goods obtained in the favored nation from animals referred to in (a) of this Article
 - (3) Plants and plant products harvested, picked or collected in the favored nation
 - (4) Goods obtained from hunting or fishing in the favored nation;
 - (5) Fish, crustaceans and other marine organisms obtained by vessels registered in the favored nation and legally flying the flag of the beneficiary nation in the offshore waters which the favored nation has the right to develop in accordance with applicable domestic laws according to the relevant international agreements to which it is a party;
 - (6) The goods obtained by processing the goods listed in Item (5) of this article on a processing vessel registered in the favored nation and legally flying the flag of the favored nation;
 - (7) Mineral products and other naturally occurring substances mined or extracted in the favored nation, or goods other than fish, shellfish and other marine organisms obtained or extracted from the offshore waters, seabed or subsoil of the sea bed which the favored nation has the right to exploit in accordance with the applicable domestic laws according to the relevant international agreements concluded by the favored nation;
 - (8) Waste and old articles generated and collected in the process of consumption in the favored nation that are only suitable for the recovery of raw materials

- (9) Waste debris generated in the manufacturing process of the favored nation that is only suitable for the recovery of raw materials;
5. Unless otherwise specified in the "Rules of Specific Origin of Products of the Least Developed Countries with Established Diplomatic Relations of China", goods produced by manufacturing or processing in the territory of a favored nation using materials not originating in the favored nation shall be deemed to have originated in the favored nation if the classification of the four-digit tariff in the Tariff has changed.

For original goods manufactured or processed with materials of non-favored nation, if the non-original materials used in the production process do not conform to the provisions of the first paragraph of this article, but if the transaction price of the non-original materials determined in accordance with the Customs Evaluation Agreement does not exceed 10% of the price of the goods and complies with other applicable provisions of these measures, the goods shall still be regarded as original goods of the favored nation.

6. Unless otherwise specified in the "Rules of Specific Origin of Products of the Least Developed Countries with Established Diplomatic Relations of China", goods produced in the territory of a favored nation using original materials of non-favored nation whose regional value is not less than 40% of the price of the goods obtained shall be regarded as goods originally produced in the favored nation.

The proportion of the components of the regional value of the goods mentioned in the first paragraph of this article shall be calculated according to the methods below:

$$\text{Components of regional value} = \frac{\text{Price of goods} - \text{Price of non-original materials}}{\text{Price of goods}} \times 100\%$$

Where, the term "price of goods" refers to the price of goods adjusted on the basis of FOB in accordance with the Customs Evaluation Agreement. "Price of non-original materials" refers to the import cost, freight and insurance premium (CIF) of non-original materials determined in accordance with the Customs Valuation Agreement, including the price of materials of unknown origin. When a non-original material is acquired by the manufacturer in the favored nation, the transaction price determined in accordance with the Customs Valuation Agreement does not include freight, insurance, packaging and any other costs incurred in transporting the non-original material from the supplier's warehouse to the manufacturer.

7. If the goods or materials produced in China are used in the production of another good within the territory of the favored nation, the goods or materials shall be regarded as original goods or materials of the favored nation.

If the favored nation is a member of a specific regional group, when the original goods or materials of other favored nations in the group are used in the production of another good, the original goods or materials of other favored nation used in the favored nation can be regarded as the original goods or materials of the favored nation.

8. The following minor machining or processing does not affect the determination of the origin of the goods:
- (1) Processing to ensure that the goods are in good condition during transportation or storage;
 - (2) Simple assembly or disassembly of assembling parts and components of articles into complete products or disassembling of products into parts and components;

- (3) Replacement, separation and combination of packaging;
 - (4) Washing, cleaning, dust removal, oxide removal, oil removal, paint removal and removal of other coatings;
 - (5) Ironing or flattening of textiles;
 - (6) Simple painting and polishing process
 - (7) Shelling, partial or complete bleaching, polishing and glazing of grains and rice;
 - (8) The operation of coloring or flavoring sugar or forming sugar lumps; grinding the crystal sugar partially or completely;
 - (9) Peeling, pitting and shelling of fruits, nuts and vegetables;
 - (10) Sharpening, simple grinding or simple cutting;
 - (11) Filtration, screening, selection, classification, grading, matching (including the combination of sets of articles), slitting, bending, winding and unfolding;
 - (12) Simple bottling, canning, potting, bagging or boxing, fixing on cardboard or wood board and other simple packaging processes;
 - (13) Affixing or printing signs, labels, marks and other similar distinguishing marks on the products or their packages;
 - (14) Simple mixture of the same or different products; mixture of sugar and other materials;
 - (15) Testing or calibration;
 - (16) Dilution with water or other substances without substantially changing the nature of the goods;
 - (17) Drying, salting (or salinizing), refrigerating and freezing;
 - (18) Animal slaughtering;
 - (19) Combination of two or more processes in items (1) to (18).
9. If a complete set of goods specified in the Article 3 of GENERAL RULES FOR THE INTERPRETATION OF THE HARMONIZED SYSTEM are produced originally from a certain favored nation, the complete set of goods shall be deemed to have produced originally in the favored nation; if some of the goods are not produced originally in the favored nation, but the proportion determined in accordance with article 6 of these measures does not exceed 15% of the price of the complete set of goods, the complete set of goods shall still be deemed to have produced originally in the favored nation.
 10. In determining the origin of the goods, the origin of the following materials or articles used in the production of the goods but which do not constitute the material components of the goods or become the components of the goods, shall not affect the determination of the origin of the goods:
 - (1) Fuel, energy, catalyst and solvent;
 - (2) Equipment, devices and supplies for testing or inspecting goods
 - (3) Gloves, glasses, footwear, clothing, safety equipment and supplies
 - (4) Tools, molds and section molds
 - (5) Spare parts and materials for maintenance of equipment and plant buildings
 - (6) Lubricants, oils (greases), synthetic materials and other materials used in production or used to operate equipment and maintenance of plant buildings
 - (7) Any other goods used in the production of the goods that do not constitute a component of the goods but can reasonably be shown to be involved in the production of the goods.
 11. If the goods are subject to the standards for change of classification in Tariff, when determining

the origin of the goods, the packages, packaging materials and containers, normally equipped accessories, spare parts, tools and descriptive materials that are declared together with the goods and classified together with the goods in the Tariff shall not affect the determination of the origin of the goods if no separate invoice is issued.

If the component standards of regional value is applicable to the goods, when calculating the components of regional value of the goods, the prices of the packages, packaging materials and containers, normally equipped accessories, spare parts, tools and descriptive materials declared together with the goods in the Tariff shall be calculated.

12. The term "direct transportation" as mentioned in these measures refers to the direct transportation of goods of the favored nation from the favored nation to China without passing through other countries or regions outside China and the favored nation (hereinafter referred to as "other countries or regions").

If the original goods of the favored nation are transported to China through other countries or regions and meet the following conditions, they shall be regarded as direct transportation, regardless of whether the means of transport is changed or temporarily stored during the transportation:

- (1) It has not entered the trade or consumption of other countries or regions;
- (2) When passing through other countries or regions, the goods are not handled other than loading and unloading or other treatments necessary to keep the goods in good condition;
- (3) Under the supervision of the Customs of the countries or regions

The longest stay time of relevant goods entering other countries or regions shall not exceed 6 months under the circumstances specified in the second paragraph of this article.

13. If the Customs has evidence to prove that the imported goods are suspected of evading these measures, the imported goods shall not enjoy the special preferential tariff.
14. Unless otherwise stipulated by the General Administration of Customs, the consignee or its agent of the imported goods shall, within 14 days from the date of declaration of the means of transport, fill in the GOODS DECLARATION FOR IMPORTATION of the Customs of the People's Republic of China in accordance with the declaration provisions of Customs, declare the application of preferential tax rate, and submit the following documents at the same time:
- (1) CERTIFICATE OF ORIGIN (see Annex 1 for the format) or DECLARATION OF ORIGIN (see Annex 2 for the format) in conformity with the provisions of these measures and within the validity period;
 - (2) Commercial invoice of goods
 - (3) Documents for the whole transportation of goods

If the goods are transported to China through other countries or regions, certificates issued by the Customs of other countries or regions or other certificates recognized by the Customs shall also be submitted.

If the Customs has received the electronic data of the certificate of origin and supporting documents of the favored nation through the relevant information exchange system, the consignee of the imported goods or its agent is not required to submit the corresponding paper documents for the original goods of the favored nation.

If the transport documents mentioned in item (3) of the first paragraph of this article submitted by the consignee or his agent of the imported goods can meet the relevant provisions of direct transport, it is not necessary to submit the supporting documents mentioned in the second

paragraph of this article.

15. Unless otherwise specified by the General Administration of customs, if the consignee or agent of the imported goods whose origin is declared as the favored nation fails to submit a valid certificate of origin or a declaration of origin at the time of declaration for import, or the customs does not receive the electronic data mentioned in paragraph 3 of Article 14, a supplementary declaration shall be made to the Customs on whether the imported goods possess the origin qualification of the favored nation before the goods are released (see Annex 3 for the format). If the consignee of import goods or its agent makes a supplementary declaration to the Customs that the imported goods possess the origin qualification of the favored nation in accordance with the provisions of the preceding paragraph, and provide corresponding tax guarantee according to law, the Customs shall go through the import procedures in accordance with the provisions, except for the circumstances where the guarantee is not allowed according to the provisions of laws and administrative regulations. If a tax guarantee equivalent to the total amount of the maximum tax that the goods may bear has been submitted due to reasons such as early release, it is no longer necessary to provide a separate guarantee on whether the goods have the qualification of origin.

If the consignee or its agent of the imported goods fails to declare the import to the Customs in accordance with the relevant provisions, or the consignee or its agent of the imported goods fails to declare the application of the preferential rate in the Tariff when declaring the import of the goods, or fails to make a supplementary declaration on whether the imported goods have the origin qualification of the favored nation in accordance with the provisions of this article, the preferential rate in the Tariff shall not apply to the imported goods.

If the consignee of import goods or its agent apply to the Customs for the application of preferential rates in the Tariff after the goods are released, the tax collected shall not be adjusted.

16. The valid certificate of origin submitted by the consignee or its agent to the Customs shall meet the following conditions at the same time:

- (1) Issued by a certifying agency designated by the government of the favored nation no later than 5 working days after the goods are exported;
- (2) It shall conform to the format listed in Annex 1 of these measures and shall be filled in English;
- (3) It meets the security requirements of the sample seal of the certifying agency notified by the favored nation to the Customs of China and the seal and signature of the Customs or the competent authorities at the port;
- (4) One or more of the goods listed are imported goods of the same batch;
- (5) It has a valid certificate of origin number that does not duplicate
- (6) It indicates the basis for determining the origin qualification of the goods

The certificate of origin shall be valid for one year from the date of issue.

17. If the Customs has made a ruling of origin according to law upon the application of the consignee or its agent of the imported goods and confirms that the country of origin of the imported goods is the favored nation, and if the ruling is valid and the basis and facts on which the ruling is based have not changed, the consignee of the imported goods or its agent may submit a declaration of origin to the Customs to declare the application of the preferential rate in the Tariff.

The declaration of origin submitted to the Customs by the consignee or his agent of imported

goods shall meet the following conditions at the same time:

- (1) It shall conform to the format listed in Annex 2 of these measures and shall be filled in Chinese
- (2) It shall be printed and correctly signed by the consignee or its agent of the imported goods;
- (3) A declaration of origin can only correspond to one ruling.

The declaration is valid for one year from the date of signature.

18. When the Customs has doubts about the authenticity of the certificate of origin, whether the relevant goods originally produced in the relevant favored nation or whether they conform to the other provisions of these measures, the General Administration of Customs may, directly or through the economic and Commercial Counselors' offices of the Chinese embassies and consulates in the relevant favored nations, make verification requests to the Customs of the favored nations or the certifying authorities of valid certificates of origin, and require them to reply within 180 days from the date of receiving the verification requests. If necessary, with the consent of the relevant competent authorities of the favored nations, the General Administration of Customs may send personnel to visit the location of the exporter or manufacturer of the favored nations to conduct on-the-spot investigation on the verification procedures of the competent authorities of the favored nations.

If the Customs has any doubts about the declaration of origin submitted by the consignee or its agent, it may carry out verification on the consignee or its agent of the imported goods who issued the declaration of origin, and the consignee or its agent of the verified imported goods shall submit a written reply to the Customs within 180 days from the date of receiving the verification request.

If a reply is not received within the above time limit, the goods shall not be subject to preferential rates.

During the period of waiting for the verification results of the certificate of origin of the favored nations, the Customs may, according to the application of the consignee or its agent of the imported goods, release the goods after collecting the equivalent deposit based on the MFN Rates, General Rates or other rates applicable to the goods, and handle the import procedures and conduct customs statistics in accordance with the provisions. Upon completion of the verification, the Customs shall immediately go through the procedures for returning the deposit or converting the deposit into import tax on the basis of the verification results, and the statistical data shall be modified accordingly.

The Customs shall not release the imported goods restricted by the state or suspected of illegal import before the certificate of origin is verified.

19. In case of any of the following circumstances, the consignee or its agent of the imported goods may apply to the Customs for the release of the tax guarantee within the guarantee period approved by the Customs within one year from the date of import of the goods:
 - (1) The consignee or its agent of the imported goods has made a supplementary declaration to the customs in accordance with the provisions of these measures and have submitted the valid certificate of origin, declaration of origin or supporting documents mentioned in Article 14 of these measures;
 - (2) The Customs has received the electronic data mentioned in Item (1) of paragraph 1 and paragraph 2 of Article 14 of these measures;
20. If the tax-paid value of the original goods of the favored nation imported in the same batch does

not exceed RMB 6000, the valid certificate of origin or declaration of origin shall not be submitted.

In order to circumvent the provisions of these measures, the provisions of the preceding paragraph shall not apply to the import of goods at one or more times.

21. If the certificate of origin is stolen, lost or damaged, and has not been used, the consignee or of the imported goods may require the exporter of the imported goods to apply to the original certifying authority of the favored nation for issuing an approved true copy of the certificate of origin within the validity period of the original certificate. The copy shall be marked with "certified true copy of the original certificate of origin (No.: _____ Date: _____)" in English in the Remarks column. The original certificate of origin shall be invalid after the certified true copy is submitted to the Customs. If the original certificate of origin has been used, the approved copy of the certificate of origin shall be invalid.

22. In case of any of the following circumstances, the certificate of origin may be reissued within 1 year from the date of the export of the goods.

(1) The certificate of origin is not issued within 5 working days after the goods are exported due to force majeure

(2) The authorized organization is convinced that the certificate of origin has been issued, but the certificate of origin has not been accepted by the Customs due to non-compliance with the provisions of Article 16 of these measures.

The reissued certificate of origin shall be marked with "Reissue" in English. In the case of paragraph 1 (1) of this article, the reissued certificate shall be valid for one year from the date of actual export of the goods; in the case of item 2 of the first paragraph, the validity period of the reissued certificate shall be consistent with that of the original certificate of origin.

23. Under any of the following circumstances, the preferential tariff rate shall not apply to the imported goods:

(1) The imported goods do not have the origin qualification of the favored nation

(2) When applying for import, the consignee or his agent of the imported goods fails to submit a valid certificate of origin or a declaration of origin in accordance with the provisions of Article 14 of these measures, and fails to make a supplementary declaration on whether the imported goods have the origin qualification of the favored nation;

(3) The certificate of origin or the declaration of origin does not conform to the provisions of these measures

(4) The goods listed in the certificate of origin are inconsistent with the actual imported goods

(5) The customs do not receive the reply from the Customs or certifying authority of the favored nation within 180 days from the date of receiving the request for verification of origin, or the reply does not contain enough information to determine the authenticity of the valid certificate of origin or the true origin of the goods;

(6) The Customs do not receive a reply from the consignee or its agent of the imported goods within 180 days from the date of receiving the request for origin verification, or the reply does not contain enough information to determine the authenticity of the valid certificate of origin or the true origin of the goods;

(7) The consignee or its agent of the imported goods have other behaviors that do not comply with the relevant provisions of these measures.

24. The Customs shall be obliged to keep confidential the trade secrets obtained in accordance with

the provisions of these measures. The Customs shall not disclose trade secrets or use them for other purposes without the consent of the consignees of imported goods, except as otherwise provided by laws, administrative regulations and relevant judicial interpretations.

25. Those who violate these measures, constitute smuggling, violate the regulations on Customs supervision, or has other acts in violation of the Customs Law of the People's Republic of China shall be dealt with by the Customs in accordance with the relevant provisions of the Customs Law of the People's Republic of China and The Rules of Administrative Penalties for the Implementation of the Customs Law of the Peoples Republic of China; if a crime is constituted, criminal responsibility shall be investigated according to law.
26. The meaning of the following terms in these measures:
 - The term "favored nation" refers to a country or region that has signed an exchange of special preferential tariff for the least developed countries with China;
 - Materials refer to the goods that form a physical part of another goods or are used in the production of another goods, including any modules, parts, components, ingredients or raw materials;
 - The term "original materials" refers to the materials that possess the qualification of origin in accordance with these measures;
 - Production refers to the method of obtaining goods, including planting, feeding, extracting, picking, collecting, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling of goods;
 - The Customs Evaluation Agreement refers to the Agreement on Implementation of Article VII of The General Agreement on Tariffs and Trade 1994, which is part of Marrakesh Agreement Establishing the World Trade Organization.
27. The "Rules of Specific Origin of Products of the Least Developed Countries with Established Diplomatic Relations of China" and the list of regional groups in these measures shall be separately announced by the General Administration of Customs.
28. The General Administration of Customs shall be responsible for the interpretation of the measures.
29. These measures shall come into force on April 1, 2017. The Measures of the People's Republic of China on the Administration of Origin of Imported Goods with Special Preferential Rates for the Least Developed Countries by Order No. 192 of the General Administration of Customs on June 28 and the Decision of the General Administration of Customs on Amending the Measures of the People's Republic of China on the Administration of Origin of Imported Goods with Special Preferential Rates for the Least Developed Countries by Order No. 210 of the General Administration of Customs on July 1, 2013 shall be repealed at the same time.

Annex:

1. Certificate of Origin
2. Declaration of Origin
3. Declaration on the origin qualification of imported goods in the Regulations of the People's Republic of China on the Administration of Preferential Origin of Imported Goods.

Declaration of Origin

For

(fill in the name and address of the consignee or its agent of the imported goods neatly)

I hereby declare that the _____ (name of specific favored nation), shall be the origin of the goods below, which conforms to the relevant provisions on the Measures of the People's Republic of China on the Administration of Origin of Imported Goods with Special Preferential Rates for the Least Developed Countries.

I am responsible for the authenticity of this Declaration.

No. of Goods	Goods description	HS code (6 bits)	Invoice (number and date)	Pre-ruling (Pre-determination) No.	Origin Criteria

Signature: _____

Date: _____

Note: this Declaration must be filled in neatly and submitted together with the commercial invoice as a separate document.

Declaration on the origin qualification of imported goods in the provisions of the Measures of the People's Republic of China on the Administration of Origin of Imported Goods with Special Preferential Rates for the Least Developed Countries

I, _____ (name and title), am the consignee of import goods / the agent of the consignee of import goods (please cross out the part that is not applicable), and hereby declare that the goods listed in item____ of Customs Declaration (No.: _____) are originally produced in _____, and the goods meet the requirements of the “Measures of the People's Republic of China on the Administration of Origin of Imported Goods with Special Preferential Rates for the Least Developed Countries” and the rules of origin determined under the corresponding preferential trade agreements.

I hereby apply for the application of the conventional rate / preferential rate (please cross out the part that is not applicable) under the corresponding preferential trade agreement for the above goods, and apply for the release of the goods after paying the deposit. I promise to submit the certificate of origin stipulated in the corresponding preferential trade agreement within one year from the date of import of the goods.

Signature: _____

Date: _____