Implementation of WTO TFA by China Customs

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Overview

Brief introduction

China Customs is a border agency supervising inbound and outbound activities.

Imported and exported goods under customs control totaled 4.273 billion tons in 2017.

Vehicles and vessels under customs control totaled 38.92 million in 2017.

Customs duties and taxes totaled RMB1896.781 billion in 2017.
Overview

China’s entry-exit inspection and quarantine duties and workforce were integrated into the General Administration of Customs of China (GACC) in April 2018.
TFA implementation practices

1. Top level design

- General office
- Duty collection
- Finance
- International cooperation
- Supervision and control
- IT
- Port administration
- Post-clearance audit
- Policy and legal affairs

- Customs implementation mechanism
2. Actions at legislation and operation level

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<thead>
<tr>
<th>TFA content</th>
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| **Article 6.1 and 6.2**  
Disciplines on Fees and Charges | ✓ Reduce and regulate fees and charges  
✓ No Customs administrative fees and charges items now |
| **Article 6.3**  
Penalty Disciplines  
(Voluntary Disclosure) | ✓ Self disclosure rules added in the new PCA regulation (2016) |
| **Article 7.7.2**  
To the extent possible, the criteria of AO shall not restrict the participation of small and medium-sized enterprises | ✓ Requirement on business performance removed (2014) |
| **Article 10.9.2**  
Outward processing | ✓ New outward processing rules (2016) |
| ... | ... |
TFA implementation practices

2. Actions at legislation and operation level

Trade facilitation Survey and Dialogue
TFA implementation practices

2. Actions at legislation and operation level

Press release on Customs’ TFA implementation status in 2017

Customs training programme in 2016

Customs training programme in 2017
3. Provide predictability and foster compliance

**TFA content**

- Article 3 Advance ruling

**Implementation status**

- Consolidating and optimizing the existing measures
Applicant can make online application

Applicable in the whole customs territory

The scope covers
✓ Tariff classification
✓ Origin of goods
✓ Customs valuation
✓ Other issues

Duration of binding force: 3 years
TFA implementation practices

3. Provide predictability and foster compliance

TFA content

• Article 7.7 Trade facilitation measures for Authorized Operators

Implementation status

• Decree of GACC No.237
• AEO Mutual recognition arrangement
• AEO Joint Incentive (AJI) programme
TFA implementation practices

3. Provide predictability and foster compliance
3. Provide predictability and foster compliance

- **AEO MRA**
  Joint conference on Customs AEO mutual recognition

- **AEO Joint Incentive (AJI) programme**

  Press release on Customs’ efforts in building credit system
3. Provide predictability and foster compliance

- Innovating the control system of inspection and quarantine
## TFA implementation practices

### 4. Promote integration and cooperation

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<td>• Article 10.7 Common border procedures and uniform documentation requirements</td>
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<td>• National Customs clearance integration reform</td>
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4. Promote integration and cooperation

- **National Customs clearance integration reform**

  - Risk prevention and control center (RPCC)
  - Duty collection and management center (DCMC)

- Two centers
- Three measures

- One-off declaration and phased disposal
- Reform of duty collection and management method
- Promote synergy in control
## TFA implementation practices

### 4. Promote integration and cooperation

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<td>- Article 7.3 Separation of release from final determination of customs duties, taxes, fees and charges</td>
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4. Promote integration and cooperation

- Declaration/duty calculation/payment/guarantees
- Cargo Access
  - 1st step by Customs
  - Port Customs
  - Clearance and control
- Duty Collection
  - 2nd step by Customs
  - Local Customs
  - Post clearance management

TFA implementation practices
TFA implementation practices

4. Promote integration and cooperation

Prior to Reform

Declaration → Classification, value, origin examination → Inspection → Release → Post clearance Management

After Reform

Declaration → Inspection → Release → Classification, value, origin examination → Post clearance Management
### TFA implementation practices

#### 4. Promote integration and cooperation

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<td>• Article 10.4 Single window</td>
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<td>• Accelerating to establish Single Window for International Trade</td>
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4. Promote integration and cooperation

TFA implementation practices

- Single window platform
- Data-sharing
- Single declaration form

ERP
Traders
Transporters
4. Promote efficiency and cooperation

- Reform on paperless clearance
- International cooperation in E-certificates of inspection and quarantine
4. Promote integration and cooperation

**TFA content**

- Article 8  Border agency cooperation

**Implementation status**

- 3M model (Domestic / International)
  - Mutual exchange of information
  - Mutual recognition of supervision
  - Mutual assistance in law enforcement
4. Promote integration and cooperation

- The National Office of Port Administration
- One-stop Joint Inspection by Port Inspection Agencies
TFA implementation practices

4. Promote integration and cooperation

- Joint control projects
  - Pilot projects with Mongolia Customs
  - Pilot projects with Kazakhstan Customs
4. Promote integration and cooperation

- **SSTL (Smart and Secure Trade Lane)**

  - Launched in 2006
  - 162 Smart and Secure Trade Lanes with 15 EU members
  - The international model for Customs cooperation under WCO SAFE framework.
4. Promote integration and cooperation

**TFA content**

- Article 11 Freedom of Transit

**Implementation status**

- CTOP Pilot Project
- TIR Convention Implementation
TFA implementation practices

4. Promote integration and cooperation

CTOP (Customs-Train Operators Partnership for Security & Expedited Clearance of China Railway Express)
TFA implementation practices

4. Promote integration and cooperation

- **TIR convention**
  - China deposited its instruments of accession to the TIR Convention on 5 July 2016.
  - Pilot implementation in selected land border ports from 1 May 2018.
5. Enhance Customs international cooperation

- Bilateral cooperation
- APEC, ASEM, CAREC
- Capacity building cooperation
- WCO Mercator Programme
- WCO TFA Working group
- WTO CTF
PART THREE

Challenges and the way forward
Challenges and the Way Forward

1. Challenges for customs

- Increased volumes & complexities of international trade
- New business models & new technology
- Trade security issues
- Demand from society
Challenges and the way forward

2. The way forward

- Customs organizational reform and integration
- TFA implementation evaluation
- Enhance the application of science and technology
- Keep improving business environment
THANKS FOR YOUR ATTENTION