

新世界
NEW WORLD



全国高职高专院校规划教材·商务英语专业

Practical English of
Customs Declaration

报关实务英语

孙圣勇 编著



对外经济贸易大学出版社
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出版说明

“新世界商务英语系列教材”是对外经济贸易大学出版社联合对外经济贸易大学、东北财经大学、上海财经大学、上海对外贸易学院、天津对外经济贸易职业学院、山东外贸职业学院、安徽国际商务职业学院、安徽商贸职业技术学院、大连职业技术学院和广东科学技术职业学院等院校推出的一套面向不同层次、涵盖不同模块的商务英语系列立体化教材。本套教材面向三个层次的学生：研究生、本科生和高职高专学生。

研究生和本科生层次的商务英语教材适用于全国各高等院校英语专业的商务英语方向或国际贸易、国际经济、国际工商管理等商科专业的学生。

高职高专层次的商务英语教材适用于全国高职高专院校英语专业的商务/应用/外贸英语方向以及国际贸易或财经类专业的学生。

根据国家教育指导方针，目前我国高职高专教育的培养目标是以能力培养和技术应用为本位，其基础理论教学以应用为目的、够用为尺度、就业为导向；教材强调应用性和适用性，符合高职高专教育的特点，既能满足学科教育又能满足职业资格教育的“双证书”（毕业证和技术等级证）教学的需要。本套教材编写始终贯彻商务英语教学的基本思路：将英语听说读写译技能与商务知识有机融合，使学生在提高英语语言技能的同时了解有关商务知识，造就学生“两条腿走路”的本领，培养以商务知识为底蕴、语言技能为依托的新时代复合型、实用型人才。

本套教材——“新世界全国高职高专院校规划教材·商务英语专业”——包括《商务英语综合教程（上册）》、《商务英语综合教程（下册）》、《商务英语阅读（上册）》、《商务英语阅读（下册）》、《商务英语听说》、《商务英语口语》、《商务英语写作》、《商务英语翻译》、《外贸英语函电》、《商务谈判》、《国际商务制单》等共 11 册。作者主要来自天津对外经济贸易职业学院、山东外贸职业学院、安徽国际商务职业学院、安徽商贸职业技术学院、大连职业技术学院和广东科学技术职业学院等。他们都是本专业的“双师型”名师，不仅具有丰富的商务英语教学经验，而且具有本专业中级以上职称、企业第一线工作经历，主持或参与过多项应用技术研究，这是本套教材编写质量的重要保证。

此外，本套教材配有辅导用书或课件等立体化教学资源，供教师教学参考（见书末赠送课件说明）。

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PREFACE

This publication aims at making available systematic knowledge for use of declaration at the Customs and practice of national declarant qualification tests.

There are nine chapters altogether covering fundamental practice of declaration at the Customs, practice of foreign trade controls, Customs supervision practice, merchandising practice, practice of duties on imports and exports, practice of filling in the customs declaration form, Customs declaration policy, fundamental practice of foreign trade and exercises for practice of declaration at the Customs. The key to the exercises can be found in the *Practical English of Customs Declaration Reference Book*.

Having had relevant working experiences in Guangdong provincial, professional international trade for more than ten years, advanced administration as Board secretary in Guangdong large-size state-owned enterprise group for three years and teaching and management in higher education institutions for eight years, I got my Master degree in Hunan University and my Doctor degree in Wuhan University, got Senior Translator qualification issued by Ministry of Human Resources and Social Security of the People's Republic of China, have written seven books and nearly sixty academic essays independently and got them published publicly in the recent years. It took me approximately two years to complete this book.

This book is suitable for students who major in International Trade, Business English and International Finance in universities, for those who are going in for international trade business, who make their research in international trade, business management and who show interest in international trade, enterprise management and business English, and especially for those who are going to participate in the national declarant qualification tests, or students who, with the diploma of junior college, try to obtain the undergraduate diplomat through self-taught study, and students who are going to take part in the National Postgraduate Entrance Examination or Entrance Examination for Doctoral Candidates of International Trade or Business.

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Chapter One

Fundamentals of Practice of Declaration at the Customs

Unit 1 Declaration at the Customs

Both imports and exports need to clear the goods at the customs. Only after getting the permission of the customs can the exported goods be loaded on board or the imported goods be sold or used. Successful customs clearance is necessary in international trade. In order to avoid possible problems, exporters and importers should know well about the customs.

1. Interpretations of Important Terms

“Customs airport” means any place which has been designated as a customs airport;

“Customs duty”^① means a tax that a country imposes on its imports and, occasionally, exports. A duty exists to make an import more expensive and to thereby encourage people to buy goods produced in their own country. Proponents of their use argue that duties discourage outsourcing of jobs to other countries and make the country more self-sufficient, but most economists agree that they are economically inefficient and some contend that they may ultimately harm the people they are intended to help. A duty is also called a tariff;

“Goods” includes animals, birds, fish, plants and all kinds of movable property;

“Green channel” means any passage or area in a customs airport or customs station clearly indicated with a sign in the shape of a regular octagon and marked in green with the words “Customs” and “Nothing To Declare”;

“Import” means to bring or cause to be brought into the customs territory by any means from any place including a free trade zone; except that goods bona fide in transit, including goods which have been taken into any free trade zone from outside the customs territory or

① <http://financial-dictionary.thefreedictionary.com/customs+duty>

transshipped, should not, for the purpose of the levy of customs duties or excise duties, be deemed to be imported unless they are or become uncustomed goods;

“Importer” includes and applies to any owner or other person for the time being possessed of or beneficially interested in any goods at and from the time of importation thereof until the goods are duly removed from customs control;

“In transit” means taken out or sent from any country and brought into the import country by land, sea or air (whether or not landed or transshipped in the import country) for the sole purpose of being carried to another country either by the same or another conveyance;

“Manufacturing^①”—manufacturing is the use of machines, tools and labor to produce goods for use or sale. The term may refer to a range of human activity, from handicraft to high tech, but is most commonly applied to industrial production, in which raw materials are transformed into finished goods on a large scale. Such finished goods may be used for manufacturing other, more complex products, such as aircraft, household appliances or automobiles, or sold to wholesalers, who in turn sell them to retailers, who then sell them to end users—the “consumers”;

“Prohibited goods” means goods the import or export of which is prohibited, either conditionally or absolutely, by notification made by any other written law for the time being in force in the trade country;

“Red Channel” means any passage or area in a customs airport or at a customs station clearly indicated with a sign in the shape of a square marked in red with the words “Customs” and “Goods To Declare”.

2. Introduction to Customs Declaration

Customs declaration occurs at Customs. China Customs is a state organ responsible for the supervision and control means of transport, goods and other articles entering or leaving China's territory, the collection of customs duties, taxes and fees, the prevention of smuggling, the compilation of the customs statistics and dealing with other customs matters.

All international inward and outward-going means of conveyance, such as vessels, trains and civil aircraft, must pass through customs supervision and control. The importer or the exporter must submit declarations to customs on goods entering or leaving Chinese territory. Only after released by the customs may the cargo be discharged or loaded. The supervision and control of cargos is one of the main tasks of China Customs.

3. Customs examination of Customs Declaration

It's the customs' duty to examine and release all cargos entering or leaving Chinese territory upon verification of the import and export licenses issued by the foreign trade control organs. Cargo subject to commodity inspection, animal or plant quarantine, medical tests or other state restrictions must be examined, and released by the customs only on production of

^① <http://encyclopedia.thefreedictionary.com/manufacture>

certificates issued by the authority concerned. For instance, export cargo subject to legal commodity inspection is released by the customs only upon verification of the commodity inspection certificate; imported animal and plant products, such as cotton, wheat, etc. are released only upon verification of the quarantine organ; imported medicines, Western or Chinese, are released only against test laboratory quality certificates issued in China.

All the imported and exported cargo is subject to the necessary customs examination. The cargo-owner or his agent is required to be present during the examination and is held responsible for the unpacking of goods upon customs' demand. The examination of the cargo by the customs is a measure to prevent any illegal cargos being imported into or exported from China. During the course of the examination, the customs must check that the shipping marks, number of package, weight, specifications of the cargo, and trading country correspond with those on the licenses, that the cargos accord with relevant regulations on foreign trade, that there is no damage to or loss of cargo, that the quality and packing of exported goods are up to requirements, and that there are no irregularities during loading, discharging or storing. In so doing, state property is properly protected and our country's reputation in the foreign trade is maintained.

Where does the Customs examination take place? As a rule, cargo is examined at wharves or warehouses under customs supervision and control. However, in certain case, where it is proved to be necessary, cargo may be examined at other places, upon request, or at the trading corporation concerned. With a view to facilitating goods traffic, the customs may authorize early release, upon examination, to such items like certain bulk cargos, dangerous goods or perishable goods, so as to expedite transportation and prevent losses.

Important exports, after being examined and found to be in accordance with the regulations, may be released with the relative documents signed and sealed by the customs, against which the delivery or shipment of the cargo may be made between the cargo-owner and the harbor, airport, railway station, post office or other unit concerned. Any import or export cargo not in conformity with the stipulations may not be released and will fall to be disposed of by the customs according to the regulations.

4. Customs Supervision and Control of Customs Declaration

Customs supervision and control over cargo as usual closely keeps pace with China's foreign trade policy. In the event, for example, that during a certain period of time China suspends trade with a particular country, the customs is held responsible for enforcement of the ban. If cargo from the country barred from trade is smuggled in by foreign merchants, it is required to be disposed of by the customs. In carrying out its supervision and control duties, the customs simplifies the procedure as far as possible with a view to facilitating goods traffic. For instance, imports such as raw cotton, logs, etc., which are subject to plant quarantine, are permitted by the customs to be discharged whilst still under quarantine, thus shortening the ship's stay in port.

5. Customs Duties of Customs Declaration

All goods permitted to be imported into or exported out of the customs territory of China should be subject to the levy of customs duties on imports or exports according to the Customs Import and Export Tariff of the People's Republic of China except as otherwise provided for by the State Council.

6. Customs Valuation of Customs Declaration

The customs valuation of import and export goods is determined by the customs on the basis of the transaction value of the goods. If the transaction value can't be ascertained, the customs valuation is determined by the customs according to law.

The customs evaluation of import goods includes the value of the goods, cost of transport, charges associated with transport of the goods and cost of insurance occurred before the goods are unloaded at the entering point of the territory of China; the customs valuation of export goods includes the value of the goods, cost of transport, charge associated with transport of the goods and cost of insurance occurred before the goods are loaded at the leaving point of the territory of China.

7. Payment of Customs Declaration Duty

Both the consignee and the consignor of imports and exports are persons obligated to pay customs duty. The clearing agent entrusted to go through the related customs procedures should abide by all the provisions pertaining to his client. The person obliged to pay the customs duty and taxes on import and export should pay the amount payable within 15 days from the day of issuance of the duty memorandum. In case of failure to meet this time limit, a fee for delayed payment will be imposed by the customs. If the person fails to pay the duties within 3 months, the customs may take certain coercive measures on approval from the head of the competent customs authorities.

Unit 2 Customs Overview

China Customs is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory. It exercises control over the means of transport, goods, travelers' luggage, postal items and other articles entering or leaving the territory, collect Customs duties and other taxes and fees, prevent and combat smuggling, compile Customs statistics and handle other Customs operations.

1. Organizations of China Customs

China Customs is a state agency that supervises and manages all arrivals and departures from the Customs territory of the People's Republic of China. It has a three-level organizational structure:

General Administration of Customs (including subordinated units: Guangdong Sub-Customs Administration, Supervising Office of General Administration of Customs in Tianjin, Supervising

Office of General Administration of Customs in Shanghai);

41 regional Customs districts;

313 Customs houses.

Additionally, China Customs hosts 2 Customs schools situated respectively in Shanghai and Qinhuangdao. It has established overseas offices in Brussels, Moscow, Washington, etc. With over 48 000 staff, China Customs maintains efficient Customs control at 247 ports of entry.

China Customs undertakes the vertical management policy. General Administration of Customs of China (GAC) is the highest supervision unit of China Customs and it is the ministry affiliated directly with the State Council to manage Customs establishments nation-wide. The GAC consists of 18 departments, 6 subordinated institutions and 3 social institutions.

2. Functions of China Customs

China Customs has the following functions of implementing its working guideline of “exercising law-based administration, safeguarding the national gateway, serving the national economic interests and promoting social development” and undertaking its principles of “politically staunch, professionally capable and reliable” to meet the management requirements.

China Customs is empowered with the following mandates: to control inward and outward means of transportation, goods, personal articles, mails and parcels, etc; to collect Customs duties and taxes; to combat smuggling; to compile Customs Statistics; to transact other Customs affairs.

3. Ranking of China Customs

China Customs adopts the Customs ranking system. Customs ranks are divided into 5 levels and 13 classes, which include:

Customs Commissioner-General and Deputy Customs Commissioner-General

Customs Commissioner First Class, Second Class and Third Class

Customs Supervisor First Class, Second Class and Third Class

Customs Superintendent First Class, Second Class and Third Class

Customs Inspector First Class and Second Class

4. Personnel Affairs of China Customs

China Customs recruits personnel from the public through examinations and interviews in accordance with the principle of fair competition. Internally, it has in place incentives like mid-or long-term secondment^① (the detachment of a person from their regular organization for temporary assignment elsewhere) and the mechanism of posts-holding through competition to keep its ranks vibrant. At the same time, it makes full use of its Customs colleges, schools and social educational resources to conduct training for Customs officers to improve their

① <http://www.thefreedictionary.com/secondment>

overall skills and abilities. China Customs is very strict with its internal management and pays great attention to keeping the integrity of its personnel by constantly improving supervision mechanisms.

5. Customs Control and Operations

China Customs commits itself to striking a balance between strict control and efficient operations. In 2004 Customs clearance formalities have been further consummated and standardized with:

The national H2000 Clearance System successfully retooled and upgraded;

Trial spots at 14 regional Customs on Customs Supervision Toll-gate Control points;

Introduction of the Network Management Sub-system and increased random selected inspection mechanism.

By actively deploying the Integrated Clearance Project, Customs clearance speed has been further boosted and the clearance processes further streamlined. The E-port Project has made new progress by joining the data network with the related units affiliated to the State Council. The construction of the regional E-port has developed rapidly.

In the practical Customs control process, hi-tech equipment is widely used at every step of the Customs clearance control, which not only improves the efficiency of the hi-tech equipment but also reduces the enforcement and integrity risk. Until now, 49 large-scale container scanning inspection units, 372 electronic load-meters, 189 electronic vehicle plate identification systems, 488 electronic gates and 40 container number identification system are installed and used nationally by China Customs.

6. Collection of Customs Duties and Taxes

Customs revenue serves as both a crucial source to the national fiscal revenue and as an important leverage for national macro-economic control. After China's accession to the WTO, China Customs has been working in good faith to honor the commitments the Chinese government made by adopting fair, unified and transparent tariff policies in accordance with the principle of non-discrimination. China Customs has also been fully implementing the WTO Valuation Agreement and taking concrete measures to phase in the tariff reduction plan.

7. Cracking Down on Smuggling

China Customs is the governing unit of intercepting smuggling in China. Smuggling^① is the clandestine transportation of goods or persons past a point where prohibited, such as out of a building, into a prison, or across an international border, in violation of applicable laws or other regulations. There are various motivations to smuggle. These include the participation in illegal trade, such as drugs, illegal immigration or emigration, tax evasion, providing contraband to a prison inmate, or the theft of the items being smuggled. Examples of non-financial motivations include bringing banned items past a security checkpoint (such as

① <http://encyclopedia.thefreedictionary.com/smuggling>

airline security) or the removal of classified documents from a government or corporate office.

In 1999 China Customs set up an anti-smuggling Police Force and established the Anti-Smuggling Bureau (ASB) respectively in the GAC and at the regional Customs level. China Customs has counter-smuggling mechanism, whereby smuggling activities are combated through joint efforts, smuggling cases are settled with a unified procedure and smuggling problems are dealt with in an integrated manner. China Customs is responsible for organizing, coordinating and managing counter-smuggling initiatives and disposing of seizure cases.

8. Customs Statistics

Customs statistics is defined as the trade statistics on imported and exported goods and they are an essential component of the overall national economic statistics. Under the principles of “providing accurate, rational, complete, internationally comparable statistics in a timely fashion, being service-oriented, and exercising supervision”, China Customs compiles statistics by conducting surveys and analyses of all the goods that moves in and out of the Customs territory of China. This then reflects the trend of foreign trade scientifically and accurately and also provides timely statistical information and consultancy services with effective statistics supervision.

9. Customs Legal System Establishment

China Customs has already developed its legal framework with the Customs Law of the People’s Republic of China at the core and also accompanying with the Regulations on Import & Export Tariff of the People’s Republic of China, Regulations of the People’s Republic of China on Origin of Import & Export goods, Implementing Regulations of the People’s Republic of China on Customs Administrative Penalty, other administrative laws, and Customs standard operational rules.

On one hand, China Customs seeks to improve officers’ basic legal awareness, however on the other hand it needs to promote compliance with strict enforcement procedures and Customs formalities. This requires impartial, transparent, stable and simplified procedures together with promotion of enforcement efficiency.

10. Customs International Cooperation

The advanced technology has allowed our environment to be characterized as a global one. “The global economy” gave businesses the ability to market products and services all over the globe. It has also allowed them to develop partnerships and alliances throughout the world, which has become essential for success in today’s business^①. The global economy has created an environment in which many large corporations are becoming transnational firms^②. With China getting more extensively and intensively integrated into economic globalization,

① Haag, Stephen (2000). *Management Information Systems*. ISBN 0-7600-1091-9.

② <http://encyclopedia.thefreedictionary.com/economic+globalization>

China Customs has engaged itself more and more internationally and is playing an increasingly important role in world economy.

Unit 3 Declaration Enterprise

In light of enterprises' level of compliance with laws, regulations, Customs rules and relevant anti-corruption provisions, their operational and managerial performance and records kept in the process of Customs control and Customs statistics compilation, Customs divides them into five (5) management categories, i.e., AA, A, B, C and D through evaluation.

1. Declaration Enterprise Categories

To be classified as Class AA, consignees^① (the party named in the bill of lading to whom delivery is promised and/or title is passed) and consigners^② (the person who delivers over or commits merchandise) of imports and exports should meet all of the following requirements at the same time:

- Having been classified as Class A for more than one year;
- The total import and export volume of the previous year was more than 30 million US dollars (10 million US dollars for enterprises of central and western areas in China);
- Customs validation and audit-based control shows requirements have been met in terms of Customs management, the enterprise's operations and management, and trade security;
- Submitting the Report on Operations and Management and the auditing report of the previous year prepared by an accounting firm on a yearly basis; and submitting the Information Form of Import and Export Business every six months.

To be classified as Class A, consignees and consigners of imports and exports should meet all of the following requirements at the same time:

- Having been classified as Class B for more than one year;
- Not having committed any smuggling crime or been involved in any smuggling activity, or violated any Customs regulatory provisions for one consecutive year ;
- Not having any administrative penalty from Customs for intellectual property rights (IPR) infringement of imports or exports for one consecutive year;
- Not having any delinquent taxes payable, or delinquent fines and confiscations payable for one consecutive year ;
- The total import and export volume of the previous year was more than 500 000 US dollars;
- The error rate of import and export declaration in the previous year was below 3%;
- Having a well-developed accounting system with faithful and complete business

① <http://financial-dictionary.thefreedictionary.com/Consignee>

② <http://www.thefreedictionary.com/Consigner>

records;

- Cooperating with Customs on their own initiative, timely going through various Customs procedures and providing true, complete and valid documents and certificates;
- Submitting the Report on Operations and Management every year;
- Going through reissuing procedure and corresponding alteration procedures for the Certificate of the Customs of the People's Republic of China on Registration of Consignees and Consignors of Imports and Exports for Customs Declaration in accordance with applicable provisions;
- Not having any bad record in administrative departments or institutions such as foreign trade authorities, the People's Bank of China, departments of industry and commerce, taxation authorities, quality inspection authorities, foreign exchange authorities and anti-corruption supervisory departments.

Should there be any of the following circumstances, consignees and consignors of imports and exports is classified as Class C:

- Having been involved in smuggling activities;
- Having violated Customs regulatory provisions for more than three times within one year, or having been fined for violating Customs regulatory provisions more than RMB 500 000 in aggregate terms within one year;
- Having received administrative penalty from Customs twice for IPR infringement of imports and exports within one year;
- Having delinquent taxes payable or delinquent fines and confiscations payable with the amount being less than RMB 500 000.

Should there be any of the following circumstances, consignees and consignors of imports and exports will be classified as Class D:

- Having committed a smuggling crime;
- Having been involved in smuggling activities for more than twice within one year;
- Having received administrative penalty from Customs for IPR infringement of imports and exports for more than three times within one year;
- Having delinquent taxes payable or delinquent fines and confiscations payable with the amount being more than RMB 500 000.

Where none of the circumstances listed in the above-mentioned Class C & Class D requirements has occurred and one of the following conditions has been met, consignees and consignors of imports and exports will be classified as Class B:

- Being registered for the first time;
- Management classification remaining unchanged since the initial registration;
- Enterprises of Class AA no longer up to par with the management requirements for Class AA nor with the requirements for Class A ;
- Enterprises of Class A no longer up to par with the management requirements for

Class A.

2. Agent Declaration Enterprises

To be classified as Class AA, agent declaration enterprises should meet all of the following requirements at the same time:

- Having been classified as Class A for more than one year;
- Having lodged more than 20 000 (5 000 for central and western areas in China) import and export declaration forms or entry and exit recordation forms as agent in the previous year;
- Customs validation and audit-based control shows requirements have been met in terms of Customs management, the enterprise's operations and management and trade security;
- Submitting the Report on Operations and Management and the auditing report of the previous year prepared by an accounting firm on a yearly basis; and submitting the Information Form of Agent Declaration Business every six months.

To be classified as Class A, agent declaration enterprises should meet all of the following requirements at the same time:

- Having been classified as Class B for more than one year;
- Enterprises themselves and their certified Customs brokers have not committed any smuggling crime or been involved in any smuggling activity or violated any Customs regulatory provisions for one consecutive year;
- None of the goods declared under their agency has been confiscated by Customs due to IPR infringement for one consecutive year;
- Not having any delinquent taxes payable, or delinquent fines and confiscations payable for one consecutive year;
- Having lodged more than 3 000 import and export declaration forms or entry and exit recordation forms as agent in the previous year;
- The error rate of import and export declaration under their agency is below 3% in the previous year;
- Legally keeping the book of accounts and operation records, and faithfully, accurately and completely recording all activities involved in commissioned Customs clearance business;
- Submitting the Report on Operations and Management every year;
- Going through reissuing procedure and corresponding alteration procedures for the Certificate of the Customs of the People's Republic of China on Registration of Agent Declaration Enterprises for Customs Declaration in accordance with applicable provisions,
- Not having any bad record in administrative departments or institutions such as foreign trade authorities, the People's Bank of China, departments of industry and commerce, taxation authorities, quality inspection authorities, foreign exchange authorities and anti-corruption supervisory departments.

Should there be any of the following circumstances, agent declaration enterprises will be classified as Class C: