

Regulations of the PRC on the Origin of Imported and Exported Goods

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Contents

Table of Contents	1
Chapter I — General Provisions	1
Chapter II — Rules for Determining Origin	2
Chapter III — Administration of Origin Verification	3
Chapter IV — Supplementary Provisions	4

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Table of Contents

- Chapter I — General Provisions
- Chapter II — Rules for Determining Origin
- Chapter III — Administration of Origin Verification
- Chapter IV — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Regulations are formulated in accordance with the Foreign Trade Law of the People's Republic of China, the Customs Law of the People's Republic of China, and the obligations undertaken by the state under international treaties and agreements on rules of origin, for the purpose of correctly determining the origin of imported and exported goods, effectively implementing trade remedy measures, and promoting trade facilitation.

Article 2 — These Regulations apply to the administration of the determination of the origin of imported and exported goods for the purpose of implementing most-favored-nation treatment, anti-dumping and countervailing measures, safeguard measures, administration of origin marking, country-specific quantitative restrictions, tariff quotas, and government procurement, trade statistics, and other activities.

Article 3 — Goods that are wholly obtained or produced in one country or region shall be deemed to originate in that country or region. Goods produced in two or more countries or regions shall be deemed to originate in the country or region where the last substantial transformation was completed.

Article 4 — For the purposes of these Regulations, "wholly obtained or produced in one country or region" means any of the following circumstances:

- (1) live animals born and raised in that country or region;

- (2) wild animals captured or hunted in the territory of that country or region;
- (3) plants, plant products, and plant by-products harvested, picked, or gathered in that country or region;
- (4) minerals and other naturally occurring substances extracted or obtained in the territory of that country or region;
- (5) waste and scrap derived from manufacturing, processing, or consumption in that country or region, or recovered goods that have been collected and are fit only for recovery of raw materials;
- (6) goods manufactured in that country or region exclusively from the goods referred to in items (1) through (5) of this Article.

Article 5 — For the purposes of these Regulations, the criteria for determining that a substantial transformation has been completed in a country or region shall be based on one of the following:

- (1) a change in tariff classification under the Customs Tariff of the People's Republic of China;
- (2) a specific percentage of the value added or the value of non-originating materials in the total value of the finished goods;
- (3) specific manufacturing or processing operations.

The specific standards shall be separately formulated and promulgated by the General Administration of Customs in conjunction with the Ministry of Commerce and the State Administration of Taxation. Where the World Trade Organization's Agreement on Rules of Origin or international treaties and agreements to which the People's Republic of China is a signatory provide otherwise, those provisions shall apply.

Article 6 — Where goods are not deemed to be originating goods for the purpose of implementing preferential trade measures such as most-favored-nation treatment, anti-dumping and countervailing measures, safeguard measures, country-specific quantitative restrictions, tariff quotas, government procurement, and trade statistics, the country of origin mark shall be marked in accordance with the country of origin prescribed for those purposes.

Article 7 — Where the origin of goods is marked in any manner such as trademarks, labels, or packaging, the origin so marked shall be consistent with the origin determined in accordance with these Regulations.

Article 8 — The General Administration of Customs shall be responsible for the administration of origin verification for imported and exported goods. The inspection and quarantine authorities shall administer origin verification for exported goods that are required to be inspected under law.

Chapter II — Rules for Determining Origin

Article 9 — The rules of origin applicable to the import or export of goods shall be as prescribed by these Regulations. These rules are divided into preferential rules of origin and non-preferential rules of origin. Preferential rules of origin apply to goods imported or exported for the purpose of implementing preferential trade measures, including rules of origin for goods imported and exported under free trade agreements and preferential trade arrangements. Non-preferential rules of origin apply to goods imported or exported for purposes other than implementing preferential trade measures.

Article 10 — Where the relevant regulations on the country of origin of goods provide otherwise, those regulations shall apply. Where the most-favored-nation clause under international treaties and agreements to which the People's Republic of China is a signatory provides otherwise, those provisions shall apply.

Article 11 — Consignees of imported goods shall declare the origin of the imported goods in accordance with the rules of origin prescribed by these Regulations. The consignee shall, upon import declaration, submit to Customs the documents certifying the origin of the goods and other relevant documents. Where imported goods originate in a country or region that enjoys preferential tariff treatment, the consignee shall submit the

documents required under the relevant preferential trade agreement.

Article 12 — Consignors of exported goods shall declare the origin of the exported goods in accordance with the rules of origin prescribed by these Regulations. Where the consignee requests a certificate of origin, or where the state applies country-specific quantitative restrictions, anti-dumping, countervailing, safeguard, or other trade remedy measures, the consignor shall submit to Customs the certificate of origin and the declaration of origin and other relevant documents.

Article 13 — Customs shall examine the declaration of origin of imported goods and may request the consignee to submit additional information for the purpose of determining the origin of the goods. Where there is doubt as to the authenticity of the documents certifying origin, Customs may conduct verification of the origin of the imported goods and the consignee shall provide cooperation.

Article 14 — Where the consignee fails to provide the documents certifying origin as required, Customs may, based on the results of origin verification, determine the origin of the goods in accordance with these Regulations.

Article 15 — Any enterprise or individual may apply to Customs for an advance ruling on the origin of goods to be imported. The applicant shall submit the application and relevant materials to Customs. Customs shall, within 150 days of accepting the application, issue a written advance ruling on the origin of the goods and shall notify the applicant thereof.

Article 16 — Customs shall accept applications for advance rulings and shall handle them in accordance with the relevant regulations. During the examination of an application for an advance ruling on origin, Customs may request the applicant to provide samples, materials, or explanations relating to the origin of the goods, and the applicant shall provide cooperation.

Article 17 — An advance ruling on origin issued by Customs shall be legally binding on Customs and the applicant. The advance ruling shall be valid for a period of three years from the date of issuance. Where there is a change in the material facts on which the advance ruling was based, or where the law, administrative regulations, or rules on which the advance ruling was based have changed, the advance ruling shall cease to be valid. Customs shall promptly notify the applicant of the cessation.

Article 18 — Where Customs is unable to determine the origin of imported or exported goods through examination, it may request the relevant authorities or institutions of the country or region of export to provide assistance in verification. Upon receiving such a request from Customs, the consignee or consignor and the manufacturer shall cooperate.

Chapter III — Administration of Origin Verification

Article 19 — The State shall, as required by international treaties and agreements, implement origin marking administration for goods imported and exported. The measures for the administration of origin marking shall be separately formulated by the General Administration of Customs.

Article 20 — With respect to imported and exported goods to which preferential trade measures apply, Customs shall perform examination, statistics, and verification of origin in accordance with the relevant preferential rules of origin.

Article 21 — Customs may formulate, based on the needs of origin verification, standards for the classification, examination, and determination of the origin of specific goods. These standards shall be announced to the public after adoption.

Article 22 — Where it is found, after the release of imported goods, that the declared origin is inconsistent with the actual origin, Customs may require the consignee to pay the differential duty or may refund the overpaid duty in accordance with the law, and may impose penalties in accordance with the Customs Law of the People's Republic of China and the Regulations on Customs Administrative Penalty Implementation.

Chapter IV — Supplementary Provisions

Article 23 — These Regulations shall take effect as of January 1, 2005. The Rules on the Origin of Imported Goods of the People's Republic of China promulgated by the General Administration of Customs on March 28, 1986, and the Rules on the Origin of Exported Goods of the People's Republic of China promulgated by the State Council on March 8, 1992, shall be repealed simultaneously.

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