Recent Developments of China Customs Valuation Control Program

General Administration of Customs of the People's Republic of China (GACC)

2023/05
Implementing WTO Valuation Agreement

- Reform duty collection and control system
- Innovate valuation control program
Contents

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Duty Collection and Control Reform

1. Organizational Structure
2. Reform of Duty Collection and Control System
Customs National Supervision Bureau for Duty Collection (SBDC)
Verify the legitimacy of duty collection-related elements
3 Bureaus: Beijing, Shanghai, Guangzhou

Customs Districts
Divisions of Duty Collection
Local enterprise management
Provide support for verification posts

Local Customs Offices
Verification Posts—enforce verification procedures
Organizational Structure

Technical Committee on Customs Valuation

- Study of Customs valuation legislations
- Examination of technical valuation issues
- Resolution of complex valuation questions
- Development of valuation expertise
Reform of Duty Collection and Control Model

Entry

Preset parameters and models

Duty Control

Goods be released if not captured and duty paid

not captured
captured

Strengthens the responsibility of the operators to declare truthfully and to pay the duties legally due based on self-assessment

Post-importation actions
Reform of Duty Collection and Control System

At-Clearance Verification

01. Advance analysis of revenue risks
02. At-clearance disposals
03. Post-clearance batch verification
04. Post-clearance audit

Whole-Process Selective Examination
Reform of Duty Collection and Control Model

One by one verification

01 Formulate risk parameters and models

Batch verification

02 Screen out risks

Big data analysis

03 Render instructions

04 Monitor performance
Reform of Duty Collection and Control Model

Verification-Focused

- Centered on management of various industries
- Encourage operators to improve their compliance level
- Awareness-raising programs and seminars
Reform of Duty Collection and Control Model

Decentralized

- A flat management system
- Centralized management of the SBDCs
- On-site processing of the frontier Customs offices
- Simplify the management hierarchy
Innovation of Valuation Management

1. Redefining the rights and obligations relating to Customs valuation
2. Collecting price information through multiple channels
3. Improving Valuation Risk Control Mechanism
4. Refining the Daily Management on Customs Valuation
Covid-19

- Supply chain issues
- Uncertainties
- New trading arrangements
- Imbalances between supply and demand
- Profit decrease
- Valuation frauds
Redefining the rights and obligations relating to Customs valuation

1. Voluntary duty payment based on self-assessment
2. Confirmations on the Customs declaration form
3. Royalties and licence fees declaration procedures
4. Update Formula Pricing Filing System

Self-assessment of revenue-related elements including valuation

Dutiable or not? When to declare? How to declare?

Any relationship? Any influences? Any royalty payments?

Encourage truthful declaration

Provide useful guidance on CV
Collecting price information through multiple channels

**Customs-Business Partnership**
- Private sectors
- Industry Associations
- Trusted enterprises

**Benefits**
- Price researches
- Trade developments
- Price information
- Commercial practices
Improving Valuation Risk Control Mechanism

- Applying new technologies
- Utilizing internal and external data
- "Smart Customs" system
- Expertise + Machine Intelligence

- Customs statistics
- International market quotations
- Data from other government departments
Enriching the content of Customs Valuation management

1. Revenue Compliance Evaluations
2. Differentiated services
3. Compliance guidance
4. Advance Ruling Since 2018
Achievements

Centralized management of Customs revenue collection and control:

◆ Customs' control of revenue risks (including valuation risks)
◆ Uniform enforcement of valuation regulations
◆ Creating a fair environment for the business
◆ Promoting trade facilitation

Clearance Stages

Pushing Forward

Pre-clearance stage

Moving Backward

Post-clearance stage
Thanks for your attention

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