UNIFORMITY IN THE IMPLEMENTATION OF THE AGREEMENT (CVA) IN CHINA

By China 2020.11.17
2020

COVIC-19 EPIDEMIC

25th anniversary: WTO Agreement on Customs Valuation
During the past 25 years...

**The Agreement**: played an important role in building and promoting a fair, uniform and neutral Customs valuation system

**The CCV and the TCCV**: have been working closely together, and the latter has issued a large number of instruments aiming to ensure uniform interpretation and application of the Agreement

**Members**: committed themselves to the implementation of the Agreement as well as modernizing customs management
CUSTOMS LAW

THE REGULATION ON IMPOART AND EXPORT DUTIES

RULES REGARDING DETERMINATION ON CUSTOMS VALUE OF IMPORTED AND EXPORTED GOODS (DECREE 213)

VALUATION RULES of the AGREEMENT
2001-2017: 6 Specialized valuation divisions

- collect valuation information
- formulate valuation risk parameters
- provide technical support at national level

Since 1st of July, 2017
National Customs Clearance Reform

- 3 National Supervision Bureaus for Duty Collection
- centralized control of revenue risks on all declarations
- unified examination of the duty-related elements (including valuation)
3 National Supervision Bureaus for Duty Collection

SHANGHAI
CHAPTER 84-78, 89-92

JINGJIN
CHAPTER 1-24, 30, 41-67, 88, 93-97

GUANGZHOU
CHAPTER 25-29, 31-40, 68-83

• share responsibility according to the division of HS chapters.
• valuation control of goods with the same HS code is conducted by one particular Bureau, which is essential to the uniform implementation of valuation rules across the country.
• major revenue risks dealt with at clearance stage - account for only 1% of the total imports.
• declarations with general revenue risks are to be controlled at post clearance stage.
PRC Customs Provisional Administrative Measures on Advance Ruling

Effective on Feb. 1, 2018
Before the goods are actually imported, the importers may file with Customs to request a ruling on technical issues such as whether the transaction value method is applicable to the imported goods and whether a certain element should be included in the Customs value.

Advance ruling decisions are applicable throughout the country, which greatly enhances the uniform application of the valuation rules in China.

Benefits: revenue compliance level being improved, certainty and predictability in trade being increased, as well as fewer interventions by Customs and smoother clearance of goods.
ADVANCE RULING for VALUATION

1,012 valuation ruling decisions

30.85 billion aggregate import value
Participation in the work of the TCCV

Along with its efforts in uniform implementation of valuation rules within its territory, China also participates actively in the work of the TCCV with a view to promoting the uniform interpretation and application of the Agreement worldwide.

Case Study 14.2

Originally submitted by China
Formally adopted by the Committee

Question at issue: Withholding income tax on royalty

To be further examined
Cooperation with the CCV

China has always been cooperative and managing to carry out its obligations in a timely manner.

- notify our valuation laws and regulations as well as the amendments
- respond to questions that are raised by other Members

Contribute to the discussion of the proposal raised by Uruguay regarding Decision 4.1

Shared China’s experience on the Implementation of CVA and TFA
**OBLIGATION for WTO members:** to ensure full implementation of the WTO Valuation Agreement.

**It remains an eternal topic:** how to further promote the uniform interpretation and implementation of the Agreement.

**CHINA WILL** continue to strengthen its efforts in the uniform implementation of the Agreement, overcoming the difficulties caused by the size of the country.

China looks forward to working with the CCV of the WTO, the TCCV of the WCO and other members, to jointly embrace a more brilliant future for the next 25 years.
THANK YOU!

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