

Measures of the Customs of the People's Republic of China for the Administration of Zhuhai Park of Zhuhai-Macao Cross-Border Industrial Zone

Promulgation date: 03-08-2007
Effective date: 04-08-2007
Department: CUSTOMS GENERAL ADMINISTRATION
Subject: CUSTOMS

Order No. 160 of the General Administration of Customs

The “Measures of the Customs of the People’s Republic of China for the Administration of Zhuhai Park of Zhuhai-Macao Cross-Border Industrial Zone”, which were deliberated and adopted at the executive meeting of the General Administration of Customs on February 14, 2007, are hereby promulgated, and shall come into force on April 8, 2007.

Director General Mu Xinsheng
March 8, 2007

Measures of the Customs of the People’s Republic of China for the Administration of Zhuhai Park of Zhuhai-Macao Cross-Border Industrial Zone

Chapter I General Provisions

Article 1 The present Measures are formulated in accordance with the “Customs Law of the People’s Republic of China” (hereinafter referred to as the Customs Law) as well as other relevant laws and administrative regulations for the purpose of regulating the customs’ supervision over Zhuhai Park of Zhuhai-Macao Cross-Border Industrial Zone (hereinafter referred to as Zhuhai Park).

Article 2 Zhuhai Park is an area under special customs supervision, which was established upon approval of the State Council. Zhuhai Park adopts bonded zone policies, and applies export processing zone policies on taxation to the goods carried between Zhuhai Park and any other area within the customs territory of the People’s Republic of China (hereinafter referred to as Outer Area).

Article 3 The institutions dispatched by the customs in Zhuhai Park shall, in accordance with the present Measures, conduct 24-hour supervision over the goods, articles and means of transport entering or exiting from Zhuhai Park, as well as the enterprises and sites within Zhuhai Park.

Article 4 Closed management shall be adopted for Zhuhai Park. Between Zhuhai Park and the Outer Area or Macao Park, the fence isolation facilities, checkpoints, video monitoring systems and other facilities needed in customs supervision, which meet the customs’ supervision requirements, shall be established.

A special port passageway shall be established between Zhuhai Park and Macao Park, which shall be used for entry and exit of goods, articles, means of transport, and persons between the two parks. A passageway for entry and exit via the checkpoint shall be established between Zhuhai Park and the Outer Area, which shall be used for entry and exit of goods, articles, means of transport, and persons between Zhuhai Park and the Outer Area.

Article 5 No commercial consumption facilities for living shall be built up within Zhuhai Park. No one else except the security guards and the on-duty staff of the enterprise may reside in Zhuhai Park.

Article 6 Zhuhai Park may carry out the following items of business:

- (1) processing and manufacturing;
- (2) test, repair, research and development;
- (3) dismantling and retreading;
- (4) storing imported or exported goods and other goods for which the customs procedures have not been finalized;
- (5) import and export trade, including entrepot trade ;
- (6) international purchase, dealership and distribution;
- (7) international trans-shipment;
- (8) commodity display or fair; and
- (9) other processing and logistics business approved by the customs.

Article 7 An enterprise within Zhuhai Park (hereinafter referred to as enterprise within the Park) shall have the status as a legal person, be capable of paying customs duties and implementing other statutory obligations, and have a special business place within the Park. Under particular circumstances, a legal person enterprise at the Outer Area may, upon approval of the customs directly under the General Administration of Customs, establish a branch within Zhuhai Park according to the law.

An enterprise within the Park shall, in accordance with the “Provisions of the Customs of the People’s Republic of China on the Administration of Registration of Declaration Entities” and other relevant provisions, go through the procedures for registration, modification, nullification, renewal or replacement of administrative license, etc. at the customs.

Article 8 An enterprise within the Park shall, in accordance with the “Accounting Law of the People’s Republic of China” as well as other relevant laws and administrative regulations of the state, set up account books and statements meeting requirements of the customs on supervision, record its financial conditions and relevant information on storage, assignment, transfer, sale, processing, use and wastage, etc. of the goods and articles entering or exiting from Zhuhai Park, truthfully fill out relevant documents and account books, keep accounts and make accounting upon strength of lawful and effective vouchers.

Article 9 The customs shall adopt the system on supervision over electronic account books and the

computer interconnection management system for the enterprises within the Park.

The administrative institution or management entity of Zhuhai Park shall be guided by the customs to, via the “electronic port” platform, build up a public computer information platform for the customs, the enterprises within the Park and other relevant departments to share electronic data interchange and information.

An enterprise within the Park shall build up a computer management system meeting the requirements of the customs on interconnection and supervision, and shall, in the certification method prescribed by the customs, provide the electronic data meeting the format for the customs’ check, and interconnect such data with the customs’ information system.

Article 10 The bank guaranty bond ledger system for processing trade shall not apply to the enterprises within the Park.

Article 11 In case any of the following circumstances arises, the involved enterprise within the Park shall, within 5 working days as of occurrence of the circumstance, report to the customs in writing, and go through relevant procedures:

- (1) It suffers from force majeure;
- (2) The goods under the customs’ supervision are stolen; or
- (3) It is divided, merged or comes into bankruptcy.

Article 12 The goods and articles prohibited by any law or administrative regulation from being imported or exported shall not enter or exit from Zhuhai Park.

Chapter II Supervision over the Goods Carried between Zhuhai Park and Overseas Areas

Article 13 The customs shall administer by way of archival filing the goods carried between Zhuhai Park and overseas areas, except for the goods on which there are otherwise provisions in any law or administrative regulation. For the goods carried between Zhuhai Park and an overseas area, the consignor and the consignee or its agent shall fill out the archival filing list, and report to the customs for archival filing.

With respect to the goods carried between Zhuhai Park and an overseas area, the enterprise within the Park shall file a written application, and may, if the application is approved by the customs, go through the centralized declaration procedures, unless it is otherwise prescribed by any law, administrative regulation or rule.

Article 14 The goods carried between Zhuhai Park and an overseas area shall be declared to the competent customs of Zhuhai Park. If the port of entry or exit through which the goods are carried between Zhuhai Park and an overseas area is not located within the jurisdictional area of the competent customs of the Park, the enterprise within the Park shall go through relevant procedures.

Article 15 The goods carried between Zhuhai Park and an overseas area shall not be subject to

export quota-based or license-based administration, unless it is otherwise prescribed by any law, administrative regulation, or rule.

Article 16 Import duty and import linkage tax shall be levied according to the following provisions on the goods entering Zhuhai Park from abroad, unless it is otherwise prescribed in any law or administrative regulation:

- (1) The machines, equipment and other materials needed in Zhuhai Park for productive infrastructure construction projects shall be exempted from tax;
- (2) The production and management equipment for the own use of an enterprise within the Park, the office supplies at a reasonable quantity for its own use, the necessary parts and fittings for repair thereof, as well as the materials and equipment needed for building up production plants or warehousing facilities shall be exempted from tax;
- (3) The management equipment and office supplies of the administrative institution of Zhuhai Park at a reasonable quantity for its own use, as well as the necessary parts and fittings for repair shall be exempted from tax;
- (4) The raw materials, parts, components, elements and packing materials needed by the enterprise within the Park for processing and exporting products shall be bonded;
- (5) The entrepot goods as well as the goods, exhibits and samples stored in Zhuhai Park shall be bonded; and
- (6) Whoever carries goods or articles which fall out of the above prescribed scope from abroad into Zhuhai Park shall pay taxes according to the law.

Where the goods coming from abroad and entering Zhuhai Park free of tax as prescribed in the preceding paragraph depart from the Park and enter the Outer Area, the customs shall handle procedures according to the relevant provisions on import of goods; if any tax needs to be levied, the tax shall be levied as what the goods were at that time when they were departing from the Park; if they are commodities subject to quota-based or license-based administration, the enterprise within the Park or the consignee in the Outer Area shall show the import quota or license to the customs.

The goods carried from Zhuhai Park abroad shall be exempted from export tariff, unless it is otherwise prescribed in any law or administrative regulation.

Chapter III Supervision over the Goods Carried between Zhuhai Park and the Outer Area

Article 17 The goods within Zhuhai Park which are carried to the Outer Area shall be deemed as being imported, and the customs shall handle procedures according to the relevant provisions on import of goods. If any tax needs to be levied, the tax shall be levied as what the goods were at that time when they were departing from the Park; if they are commodities subject to quota-based or license-based administration, the enterprise within the Park or the consignee in the Outer Area shall show the import quota or license to the customs.

The goods which enter the Outer Area via Zhuhai Park by way of general trade, and for which the visa-issuing institution of Hong Kong or Macao has issued the CEPA preference certificate of

place of origin, may enjoy zero tariff preference of CEPA according to legal provisions.

Article 18 The leftover pieces and the wastes brought forth in the processing or production carried out by an enterprise within the Park, as well as the packing materials arising out of processing, production, storage or transport, etc. may, if the enterprise within the Park files a written application and the customs grants the approval, be carried to the Outer Area, and the customs shall levy the tax as what the goods were at that time when they were departing from the Park. If they are commodities subject to import quota-based or license-based administration, the import quota or the license does not need to be obtained; while if they are wastes listed into the “Catalogue of Wastes Banned from Import” or other hazardous wastes and need to be disposed of out of the Park, the enterprise concerned shall, upon strength of the materials such as the approval document of the administrative institution of Zhuhai Park and that of the local environmental protection administrative department at the municipal level, go through exit procedures in the customs.

Where an enterprise within the Park sells the defective products arising out of processing or production to the domestic market out of the Park, the customs shall levy the tax as what the goods were at that time they were sold to domestic market. If they are subject to import quota-based or license-based administration, the enterprise shall show the import quota or license to the customs.

Article 19 Where the goods within Zhuhai Park are carried to the Outer Area, the enterprise within the Park and the consignee in the Outer Area or its agent shall make declarations to the customs.

Article 20 Where an enterprise within the Park distributes goods by covering different customs areas or an enterprise at another place picks up goods in Zhuhai Park by covering different customs areas, it may go through the declaration procedures either at the competent customs of Zhuhai Park or at the customs at the locality of the said other enterprise.

Article 21 Where an enterprise within the Park needs to carry molds, raw materials, or semi-finished products, etc. to the Outer Area for processing, it shall, before the outsourced processing, go to the competent customs of Zhuhai Park to go through the procedures for outsourced processing upon strengthen of the documents such as the contract or agreement for commissioned processing, a photocopy of the commissioned enterprise’s business license, and the document affixed with seal by the enterprise within the Park on confirmation of the commissioned enterprise’s production capacity.

The term of entrustment of an enterprise in the Outer Area for processing shall not exceed 6 months, and the processed goods shall be carried back to Zhuhai Park on time. If the leftover pieces, wastes, defective products or byproducts arising out of the outsourced processing in the Outer Area are not carried back to Zhuhai Park, the customs shall levy the tax as what they were at that time. The enterprise within the Park shall, upon strength of the then application letter for commissioned processing in the Outer Area and other relevant documents, apply to the customs for going through the procedures for inspection, release and write-off.

Article 22 An enterprise within the Park may, upon approval of the competent customs of Zhuhai Park, display its commodities in the Outer Area, or undertake the display of commodities in the Outer Area, and shall, by referring to the relevant provisions of the customs on goods of temporary entry or exit, go through the procedures for entry or exit from the Park.

Article 23 The machines, equipment, molds and office supplies, etc. used in Zhuhai Park and under the customs' supervision may, after the enterprise within the Park or the administrative institution of Zhuhai Park has filed a written application to the competent customs of Zhuhai Park and the competent customs of Zhuhai Park has granted the approval and made registration, be carried to the Outer Area for test or repair. If the enterprise within the Park carries molds to the Outer Area for test or repair, it shall preserve the samples or pictures of the molds.

The machines, equipment, molds or office supplies, etc. carried to the Outer Area for tests or repair shall not be for the purpose of processing, production or use in the Outer Area, and shall, within 60 days as of being carried out, be carried back to Zhuhai Park. If they cannot be carried back on time due to a particular circumstance, the enterprise within Zhuhai Park or the administrative institution of Zhuhai Park shall, within 7 days prior to expiry of the time limit, apply to the customs in writing for renewal, provided that the extended period shall not exceed 30 days.

The machines, equipment, molds, or office supplies, etc. carried back to Zhuhai Park after the test or repair shall not be replaced. If any new parts, fittings, or accessories are used to replace the original ones, the original ones shall be carried back to Zhuhai Park. As for the domestically produced parts, fittings, or accessories used to replace the original ones in the Outer Area, if the tax is refundable, the enterprise within the Park or the Outer Area shall file an application, while the competent customs of the Park shall handle procedures according to relevant provisions on export of goods, and issue the proving page of the declaration form for the export of goods.

Article 24 The goods entering Zhuhai Park from the Outer Area shall be deemed as being exported, and the customs shall handle procedures according to relevant provisions on export of goods. If the goods are taxable commodities for export, tax shall be levied according to relevant provisions; if they are commodities subject to quota-based or license-based administration, the enterprise within the Park or the consignor in the Outer Area shall show the export quota or license to the customs, in addition.

The exportation-related tax refund concerning the goods shall, unless otherwise prescribed by any law or administrative regulation, be handled according to the following provisions:

(1) For the domestically produced machines, equipment, raw materials, parts, components, elements and packing materials carried from the Outer Area into Zhuhai Park for the use by an enterprise within the Park, as well as a reasonable quantity of materials for basic construction of production or office premises, which are needed in building up infrastructures of an enterprise, or needed by the administrative department, the customs shall handle procedures according to relevant provisions on export of goods, and issue the proving page of the declaration form for the

export of goods;

(2) For the living consumption goods or means of transport, etc. carried from the Outer Area into Zhuhai Park for the use by an enterprise within the Park or by the administrative institution, the customs shall not issue the proving page of the declaration form for export of goods;

(3) For the imported machines, equipment, raw materials, parts, components, elements, packing materials, or materials for basic construction, etc. carried from the Outer Area into Zhuhai Park, the enterprise concerned shall provide the customs with a list of such goods or articles, and go through customs declaration procedures for export; the paid import linkage tax for the above said goods or articles shall not be refunded.

Article 25 Where the goods carried by an enterprise within the Park to the Outer Area for outsourced processing are to be processed or were produced with domestic materials, and belong to taxable commodities for export, export tariff shall be levied on the domestic materials according to legal provisions when the processed products are carried back to the Park.

For the materials which are carried from the Outer Area into the Park for the own use by an enterprise within the Park and which will no longer exit from the Park, the enterprise within the Park shall provide the customs with a list of relevant materials, which may be released upon approval of the customs.

Article 26 Where, with respect to the goods carried between Zhuhai Park and the Outer Area, the enterprise files a written application and the customs grants the approval, the enterprise may go through the centralized declaration procedures, and the tax rate and exchange rate on the date when the customs accepts the declaration at each entry or exit of the goods shall apply, unless it is otherwise prescribed in any law, administrative regulation or rule. The term for centralized declaration shall not exceed 30 days, and no cross-year declaration may be made.

Chapter IV Supervision over the Goods within Zhuhai Park

Article 27 The goods within Zhuhai Park may be circulated freely. Where goods are assigned or transferred between two enterprises within the Park, both enterprises shall timely report the name, quantity, amount of the assigned or transferred goods and other relevant particulars to the customs for archival filing.

Article 28 An enterprise within the Park may transfer the products it has processed or produced into another area under special customs supervision or to a processing trade enterprise out of the Outer Area for further processing and then re-export them, while the customs shall supervise the products with reference to relevant provisions on deep processing carryover of the goods exiting from the export processing zone.

Article 29 An enterprise within the Park shall, as of starting its business, report to the competent customs of Zhuhai Park for check in each year, and the competent customs of Zhuhai Park shall write off the application within 30 days as of acceptance of it. The relevant account books and original documents of the enterprise within the Park shall be preserved for at least 3 years as of the

end of the write-off.

Article 30 Where the goods within Zhuhai Park are damaged or lost due to force majeure, the enterprise within the Park shall timely make a written report to the competent customs of Zhuhai Park, and provide relevant testimonials issued by the insurance institution and the disaster authentication department. After the goods have been verified and confirmed by the competent customs of Zhuhai Park, they shall be dealt with according to the following provisions:

- (1) If the goods are lost, or are not lost but have no more value in use, the customs shall handle the write-off and tax exemption procedures according to the law;
- (2) If the goods of entry are damaged, and no longer have the original value in use but may be recycled, the enterprise within the Park may apply to the customs for going through return procedures. If the goods are to be carried to the Outer Area, the enterprise within the Park shall file the application, and shall, upon approval of the competent customs of Zhuhai Park, go through the customs procedures as what the goods were at that time when they were departing from the Park;
- (3) Where the goods entering Zhuhai Park from the Outer Area are damaged, no longer have the original value in use but may be recycled, and are reported to the export enterprise in the Outer Area for replacement, they may be replaced with the goods of the same name, size, quantity and price of the damaged goods, and return procedures shall be gone through in the competent customs of Zhuhai Park accordingly.

For the goods to be returned to the Outer Area, the enterprise within the Park shall file an application to the competent customs of Zhuhai Park for return, provide the testimonials and export documents of the competent taxation authority at the locality of registration which prove that the exportation-related tax for the goods has not been refunded or that the refunded tax has been turned in back to the competent taxation authority, and may, upon approval of the competent customs of Zhuhai Park, go through the return procedures; if the procedures for exportation-related tax refund have been fulfilled and the refunded tax has not been turned in back to the competent taxation authority, the matter shall be dealt with according to Item (2) of Paragraph 1 of the present article.

Article 31 Where any goods are damaged or lost due to a factor other than force majeure, such as inappropriate custody, the matter shall be dealt with in accordance with the following provisions:

- (1) For the goods entering Zhuhai Park from abroad, the enterprise within the Park shall, according to the provisions on import of goods in ordinary trade, pay the import linkage tax to the customs for the damaged or lost goods of the original value according to the law at the tax rate and exchange rate applicable on the date when the goods entered Zhuhai Park and when the customs accepted the declaration; and
- (2) For the goods entering Zhuhai Park from the Outer Area, the enterprise within the Park shall re-pay the relevant import linkage tax which was refunded due to export, and the customs shall handle write-off procedures on the basis of relevant documents.

Article 32 Where an enterprise within the Park manufactures products for export which are subject to passive quota administration, it shall report to the relevant department for approval in advance.

Article 33 The customs shall practice continuing bonded supervision over the bonded goods flowing between Zhuhai Park and another area under special customs supervision or a place under the customs' bonded supervision.

Where the goods are transferred into Zhuhai Park from an area under special customs supervision or a place under the customs' bonded supervision which has adopted the system of exportation-related tax refund in the stage of entry of domestic goods into the parks (warehouses), the customs shall not issue the proving page of the declaration form for export of goods. If the goods are transferred into Zhuhai Park from an area under special customs supervision or a place under the customs' bonded supervision which has never adopted the system of exportation-related tax refund in the stage of entry of domestic goods into the parks (warehouses), the declaration procedures shall be handled according to relevant provisions on actual departure of the goods, and the customs at the transfer-out locality shall issue the proving page of the declaration form for export of goods.

Chapter V Supervision over the Means of Transport and the Goods and Articles Brought by Individuals Entering or Exiting from Zhuhai Park

Article 34 Where a means of transport or an individual enters or exits from Zhuhai Park, it/he shall pass through the special passageway designated by the customs, and accept the customs' supervision and inspections.

Article 35 Where a freight vehicle or a non-freight vehicle enters or exits from Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port, it shall get approval from the competent administrative department, and go through the procedures for archival filing in the competent customs of Zhuhai Park according to the "Measures of the Customs of the People's Republic of China for the Administration of Freight Enterprises, Their Vehicles and Drivers Traveling on Highways in Hong Kong and Macao" (hereinafter referred to as the Measures for the Administration of Vehicles Traveling in Hong Kong and Macao).

Where a Macao vehicle enters or exits from Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port, the applicant shall, after getting approval from the competent administrative department, bring the approval document of the competent administrative department, and relevant documents on the vehicle owner/ enterprise, automobile, driver, etc. to apply to the competent customs of Zhuhai Park for archival filing, and provide the guaranty recognized by the customs, while the customs shall decide whether to issue the "Visa Certificate of Entry and Exit for the Automobiles from or to Macao".

Article 36 After a Hong Kong/Macao freight vehicle, non-freight vehicle or a Macao vehicle enters Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port, it shall re-exit from the Zone within 3 months. Under particular circumstances, the term may, upon consent of the competent customs of Zhuhai Park, be extended within the valid term for archival filing of the vehicle, provided that the extended term shall not exceed 3 months.

Article 37 The customs shall, in accordance with the Measures for the Administration of Vehicles Traveling in Hong Kong and Macao as well as other relevant provisions, supervise the freight vehicles entering Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port.

The customs shall, by referring to the Measures for the Administration of Vehicles Traveling in Hong Kong and Macao and other relevant provisions, supervise the non-freight vehicles and Macao vehicles entering Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port.

Article 38 An inbound Hong Kong/Macao freight vehicle or non-freight vehicle may enter the urban area of Zhuhai from Zhuhai Park or enter Zhuhai Park from the urban area of Zhuhai.

A Macao vehicle entering Zhuhai Park from Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port shall not enter the Outer Area from Zhuhai Park.

Article 39 The luggage brought by those who enter or exit from Zhuhai Park or Macao Park via the special passageway at the port of Zhuhai-Macao Cross-Border Industrial Zone shall be limited to self-use and reasonableness, and shall be subject to the customs' supervision according to relevant provisions on supervision over luggage of inbound or outbound passengers.

The spare materials for a vehicle entering or exiting from Zhuhai-Macao Cross-Border Industrial Zone via the special passageway at the port and the luggage brought by the driver shall be limited to the needs in the trip, and the customs shall not release the excessive ones.

Article 40 The following goods carried between Zhuhai Park and the Outer Area may, upon approval of the customs, be brought by a special person designated by the enterprise within the Park or be transported by the enterprise itself:

- (1) small quantity of goods with the value of USD 10,000 or less;
- (2) goods re-transported to the Outer Area due to inconformity of the quality;
- (3) goods for which the procedures for import tax payment have been fulfilled;
- (4) goods for which the enterprise does not require exportation-related tax refund; and
- (5) other goods approved by the customs.

Chapter VI Supplementary Provisions

Article 41 Except for international trans-shipment goods and the otherwise prescribed goods, the goods carried between Zhuhai Park and an overseas area shall be listed into the customs' import and export statistics. The goods carried between Zhuhai Park and the Outer Area shall be listed into the customs' single item of statistics.

The goods assigned or transferred between enterprises within the Park, and the goods circulated between Zhuhai Park and other areas under special customs' supervision or places under the customs' bonded supervision shall not be listed into the customs' statistics.

Article 42 The terms used in the present Measures shall have their meanings as follows:

Macao Park shall mean Macao Park which is established within Zhuhai-Macao Cross-Border Industrial Zone upon approval of the State Council.

Freight vehicles shall mean the vehicles with plates of both Guangdong and Macao which have been archived in the customs according to the Measures for the Administration of Vehicles Traveling in Hong Kong and Macao, and are used for highway freight transport between Guangdong and Macao.

Non-freight vehicles shall mean commercial vehicles, private cars which have been approved by the competent administrative department to drive between Guangdong and Macao with plates of both Guangdong and Macao, and have been archived in the customs according to legal provisions.

Macao vehicles shall mean the Macao freight vehicles and private cars of the overseas investors who invest and establish plants in Zhuhai Park, and the freight vehicles of the professional freight companies of Macao.

Article 43 Other matters of Zhuhai Park which are to be administered by the customs shall be handled by Gongbei Customs by referring to the present Measures and relevant provisions of the state.

Article 44 Whoever violates the present Measures by smuggling, violating the supervision provisions of the customs or by committing other acts in violation of the Customs Law shall be punished by the customs in accordance with the Customs Law and the “Regulation of the Customs of the People’s Republic of China on Implementation of Administrative Penalties”; if a crime is constituted, the criminal liabilities shall be investigated for according to the law.

Article 45 The power and responsibility to interpret the present Measures shall remain with the General Administration of Customs.

Article 46 The present Measures shall come into force on April 8, 2007.