

# Measures of the Customs of the People's Republic of China for the Classified Management of Enterprises

**Chapter I General Rules** [Article 1](#) With a view to encouraging enterprises to abide by laws and be self-disciplined, enhancing the efficiency of customs administration, and safeguarding the safety and convenience of import and export trades, these Measures are formulated in accordance with the Customs Law of the People's Republic of China and other relevant laws and administrative regulations. [Article 2](#) These Measures shall apply to the classified management of consignees and consigners of import and export goods and customs declaration enterprises registered with the Customs. The classified management of other enterprises shall be separately prescribed by the General Administration of Customs. [Article 3](#) The Customs will, in light of the enterprises' performances in observing laws, administrative regulations, customs rules, relevant provisions on clean government, their respective business management situations as well as the Customs supervision and statistical records, etc., establish five management categories of AA, A, B, C and D to evaluate and classify relevant enterprises, and announce the management categories of enterprises. [Article 4](#) The General Administration of Customs will, by following the principle of law-abidingness and convenience, formulate corresponding differential management measures for enterprises in different management categories, of which the enterprises in categories of AA and A shall be subject to corresponding convenient customs clearance measures, enterprises in category of B subject to common management measures, and enterprises in categories of C and D subject to strict control measures. The Customs across the country will carry out uniform enterprise classification standards, procedures and management measures. The Customs shall intensify cooperation with enterprises, and conduct regular information exchange and business contact therewith. [Article 5](#) The General Administration of Customs shall guide and supervise the work on classified management of enterprises; and the Customs directly under the General Administration of Customs shall be responsible for examining, approving and regulating the management categories of enterprises within their respective jurisdictions. **Chapter II Establishment of Management Categories** [Section 1 Consignees and Consigners of Import or Export Goods](#) [Article 6](#) The consignee or consigner of import or export goods in the category of AA shall simultaneously meet the following requirements: (1) Having been subject to the management category of A for at least one year; (2) Having the gross import or export value more than 30 million US Dollars (or 10 million US Dollars for central and western regions) in the previous year; (3) Meeting the requirements for customs administration, enterprise business management and trading safety upon the inspection of the Customs; and (4) Submitting a Report on Business Management Status and the audit report for the previous year as issued by an accounting firm every year; and submitting a Form on the Import and Export Business every half a year. [Article 7](#) The consignee or consigner of import or export goods in the category of A shall simultaneously meet the following requirements: (1) Having been subject to the management category of B for more than one year; (2) Having never committed the crime of smuggling, the act of smuggling or violation of the provisions on customs supervision and control for one consecutive year; (3) Having never been subject to any customs administrative punishment due to importing or exporting goods infringing on intellectual property rights for one consecutive year; (4) Having no defaulted taxes or fines for one consecutive year; (5) Having the gross import or export value more than 500,000 US Dollars in the previous year; (6) Having the error rate of import or export declaration below 3% during the previous year; (7) Having sound accounting rules, as well as truthful and complete business records; (8) Having taken initiatives in cooperation with customs administration, timely handling various customs formalities, and provided

truthful, complete and valid documents and certificates to the Customs; (9) Submitting a Report on Business Management Status every year; (10) Handling the formality for reissuing and altering the Register Document for Customs Declaration of Consignees or Consigners of Import or Export Goods of the Customs of the People's Republic of China according to provisions; and (11) Having no bad records in the administrative departments and institutions of commerce, people's bank, industry and commerce, taxation, quality inspection, foreign exchange and supervision, etc.

**Article 8** The consignee or consigner of import or export goods under any of the following circumstances shall be subject to the management category of C: (1) Having committed the act of smuggling; (2) Having violated the provisions on customs supervision and control for more than three times in one year, or having been accumulatively fined more than 500,000 Yuan due to the violation of the provisions on customs supervision and control within one year; (3) Having been subject to the customs administrative punishments twice within one year for importing or exporting goods infringing on intellectual property rights; or (4) Having defaulted in payment of taxes or fines payable in the amount of less than 500,000 Yuan.

**Article 9** The consignee or consigner of import or export goods under any of the following circumstances shall be subject to the management category of D: (1) Having committed the crime of smuggling; (2) Having committed the act of smuggling more than twice in one year; (3) Having been subject to customs administrative punishments thrice or more within one year for importing or exporting goods infringing on intellectual property rights; or (4) Having defaulted in payment of taxes or fines payable in the amount more than 500,000 Yuan.

**Article 10** Any consignee or consigner of import or export goods that has not been under any of the circumstances as mentioned in Articles 8 and 9 but meets any of the following conditions, shall be subject to the management category of B: (1) Having been registered for the first time; (2) Its management category has never been adjusted after the initial registration; (3) An enterprise in the category of AA neither satisfies the relevant requirements for original management category nor meets relevant requirements for the management category of A; or (4) An enterprise in the category of A does not satisfy the relevant requirements for the original category.

**Article 11** Processing enterprises registered at the Customs shall be subject to classified management in light of the consignees or consigners of import or export goods.

**Section 2 Customs Declaration Enterprises**

**Article 12** A customs declaration enterprise in the category of AA shall meet the following requirements simultaneously: (1) Having been subject to the management category of A for more than one year; (2) Having deputized more than 20,000 (5,000 for central and western regions) import or export declaration forms and archival filing lists for entry or exit of the country in the previous year; (3) Meeting the requirements for customs administration, enterprise business management and trading safety upon the inspection of the Customs; and (4) Submitting a Report on Business Management Status and the audit report for the previous year as issued by an accounting firm every year, and submitting a Form on Import or Export Business every half a year.

**Article 13** A declaration enterprise in the category of A shall simultaneously meet the following requirements: (1) Having been subject to the management category of B for more than one year; (2) Both the enterprise and its practicing customs declarers have never committed the crime of smuggling, the act of smuggling or violation of the provisions on customs supervision and control for one consecutive year; (3) The goods declared under its agency have never been confiscated by the Customs due to the infringement on intellectual property rights for one consecutive year; (4) Having no defaulted taxes or fines for one consecutive year; (5) Having deputized more than 3,000 import or export declaration forms and archival filing lists for entry or exit of the country in the previous year; (6) Having the error rate of import and export declaration under its agency below 3% during the previous year; (7) Having made accounts and business records according to law, and having recorded down all the activities regarding the commissioned declaration business in a

truthful, accurate and complete manner; (8) Submitting a Report on Business Management Status every year; (9) Handling the formalities for extension of licensing and for reissuing and altering the Register Document for Customs Declaration of Consignees or Consigners of Import or Export Goods of the Customs of the People's Republic of China according to provisions; and (10) Having no bad records in the administrative departments and institutions of commerce, people's bank, industry and commerce, taxation, quality inspection, foreign exchange and supervision, etc. **Article 14** A declaration enterprise under any of the following circumstances shall be subject to the management category of C: (1) Having committed the act of smuggling; (2) Having violated the provisions on customs supervision and control for more than three times within one year, or having been accumulatively fined more than 500,000 Yuan due to violation of the provisions on customs supervision and control within one year; (3) The goods declared under its agency have been confiscated by the Customs for three times within one year due to the infringement on intellectual property rights; (4) Having the error rate of import and export declaration under its agency at 10 % or above during the previous year; (5) Having defaulted in payment of taxes or fines payable in the amount of less than 500,000 Yuan; (6) Failing to accept or assist in the investigations by the Customs when the goods declared under its agency are suspected of smuggling or violation of the provisions on customs supervision and control; or (7) Its declaration business has been suspended by the Customs. **Article 15** A declaration enterprise under any of the following circumstances shall be subject to the management category of D: (1) Having committed the crime of smuggling; (2) Having committed the act of smuggling more than twice in one year; (3) The goods declared under its agency have been confiscated for more than four time within one year due to the infringement on intellectual property rights; or (4) Having defaulted in payment of taxes or fines payable in the amount more than 500,000 Yuan. **Article 16** Any declaration enterprise that is not under any of the circumstances as mentioned in Articles 14 and 15 and also meet one of the following conditions shall be subject to the management category of B: (1) Being registered for the first time; (2) Its management category has never been adjusted after the initial registration; (3) An enterprise in the category of AA neither satisfies relevant requirements for the original management category nor meets the requirements for the management category of A; or (4) An enterprise in the category of A does not satisfy the relevant requirements for the original management category. **Chapter III Application and Adjustment of Management Categories** **Article 17** An enterprise, which accords with Article 6 (1) and (2) or Article 12 (1) and (2) of these Measures, may file an application for the management category of AA with the Customs directly under the General Administration of Customs via the Customs at the place of its registration, and simultaneously submit the following documents: (1) A Written Application for the Management Category of AA; (2) A Report on Business Management Status; and (3) An Audit report issued by an accounting firm for the previous year. **Article 18** An enterprise, which accords with Article 7 or 13 of these Measures, may file an application for the management category of A with the Customs directly under the General Administration of Customs via the Customs at the place of its registration, and simultaneously submit the following documents: (1) A Written Application for the Management Category of A; and (2) A Report on Business Management Status. **Article 19** After acceptance of an application for the management category of AA or A as filed by an enterprise, in case the documents submitted by the enterprise are complete and in statutory forms upon examination, the Customs at the place of registration shall make a Written Decision on Acceptance of the Application for the Classified Management of Enterprises on the spot and report it to the Customs directly under the General Administration of Customs for examination and approval. The Customs directly under the General Administration of Customs shall make a decision on approval or disapproval of the application within six months after acceptance for an application

for the management category of AA. The Customs directly under the General Administration of Customs shall make a decision on approval or disapproval of the application within three months after acceptance for an application for the management category of A. **Article 20** Where an enterprise applying for the management category of AA or A is under any of the following circumstances, the Customs directly under the General Administration of Customs shall return its application and make a decision on disapproval of it: (1) Failing to satisfy the requirements as prescribed in these Measures at the time of application; (2) Failing to satisfy the requirements as prescribed in these Measures during the period of examination; or (3) Being suspected of smuggling or violating the provisions on customs supervision and control during the period of examination, or being under criminal investigation or investigation due to the infringement on intellectual property rights.. **Article 21** Where an enterprise in the management category of C has not committed any act prescribed in Article 8 or 14 of these Measures for one year since the Customs made the decision on adjustment of its management category, the Customs may adjust its management category into B upon application of the enterprise. Where an enterprise in the management category of D has not committed any act prescribed in Article 9 or 15 of these Measures for one year since the Customs made the decision on adjustment of its management category, the Customs may adjust its management category into C upon application of the enterprise. **Article 22** Where an enterprise in the management category of C or D applies for adjustment into the management category of B or C, it shall submit a Written Application for Adjustment of the Management Categories of Enterprises to the Customs directly under the General Administration of Customs via the Customs at the place of its registration. In case the documents submitted by the enterprise are complete and in statutory forms upon examination, the Customs at the place of registration shall make a Written Decision on Acceptance of the Application for the Classified Management of Enterprises on the spot and report it to the Customs directly under the General Administration of Customs for examination and approval. The Customs directly under the General Administration of Customs shall make a decision on approval or disapproval of the application within one month after acceptance. **Article 23** Where an enterprise is under any of the following circumstances and shall be degraded, the Customs shall, after discovery of the circumstance, make a new decision on the management category for the enterprise according to the provisions of Chapter II of these Measures: (1) An enterprise in the management category of AA or A fails to meet relevant requirements for the original management category; (2) An enterprise in the management category of B is under any of the circumstances for the management category of C or D; or (3) An enterprise in the management category of C is under any of the circumstances for the management category of D. **Article 24** Where a decision is made by the Customs directly under the General Administration of Customs to or not to adjust the management category of an enterprise, the Customs at the place of registration shall serve the relevant decision on the enterprise within ten workdays after the decision is made. As of the day when an adjustment decision is made, the Customs shall implement corresponding management measures over the enterprise in light of the adjusted management category. **Article 25** Where an enterprise in the management category of AA or A is suspected of smuggling and is being placed on file for criminal investigation or investigation, the Customs shall suspend corresponding management measures for its management category; and the enterprise shall be subject to the management measures for enterprises in the category of B during the period of the foresaid suspension. **Article 26** Where an enterprise only changes its name or registered customs ID, it may continuously be subject to its original management category; however, if it is under any of the following circumstances, its management category shall be adjusted in the following methods: (1) In case the enterprise is split off, and the surviving enterprise after split-off will inherit main rights and obligations or main creditor's rights and debts of the enterprise before split-off, it shall

be subject to the management category of the enterprise before split-off; and other enterprises produced through the split-off shall be regarded as enterprises of initial registration; (2) In case an enterprise is split up, the enterprises produced through the split-up shall be regarded as enterprises of initial registration; (3) In case an enterprise is merged, it shall be subject to the management category of the surviving enterprise after merger; and (4) In case an enterprise is consolidated, the consolidated enterprise shall be regarded as an enterprise of initial registration.

**Chapter IV Implementation of Management Measures** **Article 27** Where a declaration enterprise engages in declaration business on behalf of a consignee or consigner of import or export goods, the Customs shall separately implement corresponding management measures in light of the management categories applied by the declaration enterprise and the consignee or consigner of import or export goods. In case the management measures to be implemented over the enterprises in different management categories are conflicting with each other, the Customs shall implement management measures in the following methods: (1) In case the declaration enterprise or the consignee or consigner of import or export goods is in the category of C or D, the corresponding management measures for the lower management level shall be implemented; and (2) In case both the declaration enterprise and the consignee or consigner of import or export goods are in the management category of B or above, the corresponding management measures for the management category of the declaration enterprise shall be implemented. **Article 28** Where the management category of a processing and trading enterprise is different from that of a production enterprise undertaking commission processing, the Customs shall implement corresponding management measures for the lower management level to the foresaid processing and trading business. **Chapter V**

**Supplementary Rules** **Article 29** The time of the crime of smuggling shall be the day when the criminal judgment made by the people's court enters into force. The time of smuggling, import or export of goods infringing on intellectual property rights or violation of the provisions on customs supervision and control shall be the day when the written decision on customs administrative punishment enters into force. **Article 30** The warning and the fine of less than 10,000 Yuan for an act against the provisions on customs supervision and control may not be taken as the records for appraisal of the management categories of enterprise. **Article 31** The meanings of the following terms and expressions used in these Measures are: The term "other enterprises" refers to the enterprises engaging in businesses directly related to the import and export activities as prescribed by the General Administration of Customs, excluding the consignees and consigners of import or export goods and the declaration enterprises as registered at the Customs. The expression "central and western regions" refers to the regions other than the eastern region which includes Beijing Municipality, Tianjin Municipality, Shanghai Municipality, Liaoning Province, Hebei Province, Shandong Province, Jiangsu Province, Zhejiang Province, Fujian Province and Guangdong Province. The expression "defaulted taxes" refers to the sum of the import and export customs duties and the taxes vicariously collected by the Customs during the import and export process on the import and export goods and articles, which have not been paid for three months after expiration of the time limit, including the taxes other than the fines that need to be paid where the Customs affirms any violation of the provisions on customs supervision and control. The expression "defaulted fines" refers to the fines, illegal proceeds as confiscated and smuggled goods and articles etc. as recovered by the Customs, which have not been delivered to the Customs for three months after expiration of the time limit as prescribed in the customs administrative punishment decision. The expression "gross import and export value" includes the customs' trade statistics and statistical data for single items, of which the customs statistics shall prevail and the relevant data shall only be used for the customs' classified management of enterprises. The expression "error rate of declaration" refers to the percentage of dividing the total times of scoring made by all

the declarers by the gross amount of declaration forms in the previous year. The term "one year" refers to the consecutive twelve months. The word "year" refers to one Gregorian calendar year. The term "more than" includes the figure itself. The term "less than" excludes the figure itself. **Article 32** The General Administration of Customs shall be responsible for the interpretation of these Measures. **Article 33** These Measures shall enter into force as of April 1, 2008. The Measures of the Customs of the People's Republic of China for Implementing Classified Management over Enterprises promulgated by Decree No.71 of the General Administration of Customs on March 31, 1999 and the Provisions on Examination and Approval of the Application of Convenient Customs Clearance Measures to Large-scale High and New Technology Enterprises promulgated by Decree No.86 of the General Administration of Customs and the Ministry of Foreign Trade and Economic Cooperation on July 20, 2001 shall be simultaneously abolished .

General Administration of Customs 2008-01-30