China Customs’ Management Structure in Dealing With Rules of Origin Matters

Office of Rules of Origin
General Administration of Customs
Jan 2014
I Functions
Functions of China Customs in RoO Administration

- **Formulating RoO for import and export commodities**
- **Implementing RoO for import and export commodities**
- **Taking the leading role in bilateral and multi-lateral RoO negotiation**
Non-preferential RoO
  e.g. MFN treatment, anti-dumping and countervailing, safeguard measures, origin markings, country-specific quantitative restrictions and tariff quota.

Preferential RoO
  preferential treatment under contractual or autonomous trade regimes
Functions of China Customs in Preferential RoO Administration

- Research and study
- Domestic Consultation
- Negotiation
- Monitoring & Alerting
- Legislation & Implementing
- Certification
- Training
- Sectoral Research
- Publicity

for a better world
Structure of RoO Administration

Rules of Origin Coordinating & Administrative Committee

RoO Office of GACC

Branch Office of RoO in Fuzhou

Branch Office of RoO in Gongbei

Branch Office of RoO in Shenzhen

Tariff Divisions at Customs Districts

Customs Houses at Ports

Technical Committee of Rules of Origin of China Customs
RoO Office of GACC

- Overall control and coordination of RoO related matters
- Communicating the FTA Parties
- Designating and instructing local customs
- Intervening into RoO business
3 Branch RoO Offices

- Dealing with RoO related matters on a daily and operational basis.
- Carrying out risk analysis.
- Collection and analysis of statistics.
Dealing with RoO related matters within its own region

Preliminary approval the request from customs Houses at ports
Customs Houses at Ports

- Origin determination for import and export goods
- Carrying out risk analysis
- Selecting and filing tricky issues to tariff division
Issuing Bodies on C\O Certification

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RELATIONSHIP BETWEEN CUSTOMS & ISSUSING BODIES

CUSTOMS

ADMINISTRATION

COOPERATION

ISSUSING BODIES
Legal Framework

**Laws**
- Customs law of the People’s Republic of China

**Regulations**

**Decrees**
- Customs Decrees Promulgated by GACC Implementing RoOs Provisions under PTAs/FTAs; Provisions of GACC on the administration of Preferential Rules of Origin for Import and Export Goods (GACC Decree No181)

**Rules**
- Operational Rules Regarding Origin Administration Promulgated by Duty Collection Department of GACC or Subordinated Customs Districts
Practice in Rules of Origin Administration
## Preferential Trade Agreements in China

<table>
<thead>
<tr>
<th>Region</th>
<th>Implemented Or Negotiated</th>
<th>Negotiating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASIA</strong></td>
<td>APTA&lt;br&gt;China-ASEAN FTA&lt;br&gt;China-Pakistan FTA&lt;br&gt;China-Singapore FTA&lt;br&gt;HK/Macao CEPA&lt;br&gt;ECFA</td>
<td>China-GCC FTA&lt;br&gt;China-Korea FTA&lt;br&gt;China-Japan-Korea FTA</td>
</tr>
<tr>
<td><strong>LATIN AMERICA</strong></td>
<td>China-Chile FTA&lt;br&gt;China-Peru FTA&lt;br&gt;China-Costa Rica FTA</td>
<td></td>
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<tr>
<td><strong>OCEANIA</strong></td>
<td>China-New Zealand FTA</td>
<td>China-Australia FTA</td>
</tr>
<tr>
<td><strong>EUROPE</strong></td>
<td>China-Switzerland FTA&lt;br&gt;China-Iceland FTA</td>
<td>China-Norway FTA</td>
</tr>
<tr>
<td><strong>AFRICA</strong></td>
<td>SPT for LDCs</td>
<td>China-SACU FTA</td>
</tr>
</tbody>
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## Major Operational Statistical Data

<table>
<thead>
<tr>
<th>Year</th>
<th>C\O Accepted (Copies)</th>
<th>Value of Imports ($Billion)</th>
<th>Duties Reduced (RMB Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>336,351</td>
<td>49.07</td>
<td>22.11</td>
</tr>
<tr>
<td>2012</td>
<td>431,146</td>
<td>56.24</td>
<td>28.35</td>
</tr>
<tr>
<td>2013</td>
<td>526,367</td>
<td>67.73</td>
<td>33.12</td>
</tr>
</tbody>
</table>
ISSUES & CHALLENGES

• “Spaghetti bowl” effects of preferential rules of origin

• Increasing number of irregularity cases & fraudulent acts

• Insufficient origin-related knowledge of frontline customs officers

• Lack of the awareness of FTAs among potential beneficiaries
Thank you for your attention!