

Practices of China Customs on Containing COVID-19 (II)

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Stronger control on the quality of imported/exported medical supplies and support for the reopening of the economy

The fast spread of COVID-19 has presented severe challenges to many countries, and has caused a sharp rise in demand for medical supplies. In light of China's role as one of the major producers of medical and protective equipment, China Customs is making its own contribution to the global efforts to combat COVID-19, through faster clearance of imported and exported medical supplies and closer cooperation with other government agencies on product quality control.

I. Strengthening quality control of imported/exported medical supplies:

1.1. Introducing new policies with specified standards.

The Chinese government has always attached great importance to the quality and safety of medical supplies. In recent months, a surge in procurement of medical supplies by overseas buyers has led to a swift expansion in the number of Chinese producers and total production capacity. In order to ensure the quality of exported medical supplies and better regulate export activities, the General Administration of Customs, working with the Ministry of Commerce, State Administration for Market Regulation, National Medical Products Administration, has developed a number of regulations. These regulations specify the applicable standards and quality requirements for exported medical supplies, and have been strictly enforced, demonstrating a salutary effect.

1.2. Tighter customs controls and compulsory inspections.

China Customs extended the HS codes to ten digits and specified the legal units of measurement for products such as protective suits and face masks. This enabled smoother customs declarations for key medical supplies, and the compilation of better statistics. Stricter inspections of the documentation and tighter customs controls on imported medical supplies were mandated. More technical lab tests were commissioned to help prevent the import or export of any medical supplies that fail to meet safety and quality standards. Compulsory inspections were imposed on eleven categories of exports used directly to combat COVID-19, including medical face masks and infrared thermometers. Conformity assessment procedures including sampling, inspection, verification, and assurance of conformity were combined to ensure that

quality and safety inspection and supervision are performed in accordance with the law.

1.3. Reinforcing risk prevention with combined measures during and after clearance.

China Customs strengthened information collection and analysis. Precise analysis was conducted to target high-risk companies and products prone to incomplete or false declarations, so that substandard supplies could be seized at the border. Post clearance audits were conducted on low- and medium-risk companies, optimizing the risk prevention mechanism.

1.4. Facilitating law-abiding operators and punishing offenders.

China Customs offers facilitation measures to companies that declare their import/export freight with honesty and compliance. However, when companies are dishonest and break the law, China Customs applies the full weight of administrative penalties, and in the case of criminal breaches, notifies prosecutors so that criminal charges may be imposed. This includes cases of false or incomplete customs declarations or undeclared items hidden within other shipments with the purpose of evading compulsory inspections, or shipments including counterfeit or substandard products.

II. Supporting the reopening of the economy:

2.1. Ensuring fast clearance for medical supplies.

Imports: All local Customs authorities across the country have opened special counters and green lanes that provide 24/7 fast-track clearance services for imported medical supplies. Imported pharmaceuticals, protective and medical equipment and other supplies used to combat COVID-19 will be released without delay.

Exports: fast-track services have been provided 24/7 to minimize the clearance time.

2.2. Cutting costs for importers/exporters.

Policies to cut fees and tariffs were introduced to lighten the burden on business. On-site audits and verifications have been reduced and quarantine related approval time has been shortened to ensure the speedy supply of goods important to people's daily life. The financial pressure on exporters was reduced with an improved tax guarantee mechanism for domestic sale of goods under processing trade. While maintaining the same levels of safety, documentation and certification requirements, as well as quarantine at anchorage, were reduced so as to lower cost for companies.

2.3. Stronger support for AEOs.

The site inspection requirement for certification as an authorized economic operator (AEO) has been suspended. Instead, companies are monitored through a big data-

based enterprise profiling system, allowing timely tackling of problems. Virtual trainings have been delivered to AEOs to help them continue to meet AEO standards. A team of over 160 customs experts was set up, who use the “China Customs credit management” WeChat platform to answer questions and offer immediate assistance to AEOs on any problems that they encountered during customs clearance. They help to ensure that AEO consignments of countries (regions) with which China has signed AEO mutual recognition agreements, are given priority and quickly pass through customs.