



# Introduction to Export Procedure

**By Frank Zhang**



- Measures on Registration Procedures of Export Operators (Jun. 25, 2004)
  - Any companies can get export rights by registration
  - Individual can also get export rights
- Authority:
  - China MOFCOM or local Commissions of Commerce.
- Business scope:
  - Manufacturers: only own manufactured products.
  - Trading companies: general merchandises.

- Customs
  - Registration No.
  - Company Info.
- State Administration of Foreign Exchange (SAFE)
  - Foreign Exchange Certificate
  - Foreign Exchange Verification Form
- Tax Authority
  - Tax Refund Certificate
- China Inspection & Quarantine Authority (CIQ)



- Price
  - ICC Incoterms 2000 – FOB, CFR & CIF
  - Cost components & risk transfer point
- Payment Terms
  - Letter of Credit (LC)
  - T/T
  - D/P
  - D/A
- Insurance: 110% invoice value, premium: 0.05% - 0.15%
  - Free from Particular Average (F.P.A.)
  - With Particular Average (W.P.A.)
  - All Risks (A.R.)
  - Warehouse to Warehouse Clause (W/W Clause)
- Inspection
  - Loading Place Inspection for Delivery
  - Destination Inspection for Claims



- Forwarding Agent – also handle customs clearance
- Containers: dry, refer, open top, flat rack
  - 20' Container: 5.89mx2.35mx2.39m, 30m<sup>3</sup>, 17.5mts
  - 40' Container: 12.02mx2.35mx2.39m, 60m<sup>3</sup>, 24mts
- Freight
  - FCL: Full Container Load
  - LCL: Less Than Container Load
- Bill of Lading
  - Title to Goods
- Useful Words
  - ETD: Estimated Time of Departure
  - ETA: Estimated Time of Arrival

- 2005 Catalogue of Export Commodities subject to License Control (Dec. 10, 2004)
- Scope: 47 categories and 316 H.S.Codes
  - Export Quotas: main foods and raw materials- corn, cow, coke, oil, zinc etc.
  - Export Quotas by Bidding: 9 commodities
  - Export Licenses: cows, sensitive chemicals, computers, electric fans, bicycles, motorcycles and etc.



- Catalogue for import & export commodities subject to Mandatory Inspection
- Scope: foods, machines, home appliances etc.
  - Check with CIQ
  - H.S Code
- Forms
  - Quality Certificate
  - Fumigation Certificate: wooden packages to US, EU ...

- Regulations on Import and Export Tariff of the People's Republic of China
- Customs Import and Export Tariff of the People's Republic of China
- Document List for Customs Clearance
  - Customs Declaration Form
  - Copy of Export Contract
  - Commercial Invoice
  - Packing List
  - Foreign Exchange Verification Form
  - Export License or Quotas if Mandatory
  - Inspection Certificate if Mandatory



- Foreign Exchange Verification
  - Payments received against declared export value
  - Usually within 90 days after shipment
- VAT Refund or Rebate
  - VAT: 17%
  - Refund rate: 17%、13%、11%、8%、5%
  - Accounting rules and procedures require expertise
- Other Issues:
  - Certificate of Origin (C/O): CCPIT
  - GSP Form A: CIQ
    - ***GSP - Generalized System of Preferences***
    - ***EU, Japan, Australia, Canda, and etc.***



# Q&A

# Thank You!