

## Regulations of the People's Republic of China on Import and Export Duties

The State Council

Implemented on 1<sup>st</sup> January, 2004

Article 42. Any of the following goods permitted to enter or exit China temporarily by the customs, in case the obligatory duty payer shall pay the customs office a sum of caution money equivalent to the value of the duties payable or provides other guaranty, it may be allowed not to pay the duties for the time being, but shall re-carry the goods into or out of China within 6 months as of the day of entry or exit. Upon the application of the obligatory duty payer, the customs may extend the time limit for re-carrying the goods out of or into China according to the provisions of the Customs General Administration.

- (1)The goods exhibited or used in exhibitions, trade fairs, meetings and other similar activities;
- (2)The articles used in performances or competitions in cultural or sports exchange activities;
- (3)The instruments, equipment and articles used in making news reports or in producing films or TV programs;
- (4)The instruments, equipment and articles used in scientific research, teaching or medical activities;
- (5)The means of transport and special vehicles used in the activities as listed in Paragraphs 1 - 4 of this Article;
- (6)The samples of goods;
- (7)The instruments and tools used in installing, trial running and testing equipment;
- (8)The containers of the goods; and
- (9)Other goods used for non-commercial purposes.

Where the goods permitted to enter China temporarily as listed in Paragraph 1 aren't re-carried out of China within the specified time limit, or the goods permitted to exit China temporarily aren't re-carried into China within the specified time limit, the customs shall collect duties pursuant to law.

As for other goods permitted to enter China temporarily which are beyond the scope of good exempted from customs duties for the time being as listed in Paragraph 1, the duties on the goods shall be calculated and collected in accordance with the dutiable value and the ratio between the time when the goods stay in China and the depreciation time. The specific measures shall be formulated by the Customs General Administration.

Article 45. The following import and export goods are duty-free:

- (1)Where the customs duty of goods under a single invoice is not more than RMB 50;
- (2)The articles that are for advertising purposes or to be used as samples and therefore of no commercial value;
- (3)The materials gratuitously donated by foreign governments or international organizations;
- (4)The goods damaged prior to the customs clearance;
- (5)The fuel, materials, food and drinks necessary for the journey and carried by the means of transport that enter into or exit China;

As for the goods damaged prior to the customs clearance, the duties may be reduced on the basis of the seriousness of the damages as determined by the customs.

As for other goods exempt from duties or at reduced duties as provided for in law, the customs shall exempt them from duties or reduce the duties according to relevant provisions.