

DHL Express

China Customs Requirements Customs Announcement Order 33

October 2010



Key Points

- What are the changes?
- Why are there changes?
- When will they take place?
- How will this affect my Customer?
- What type of products will this affect?
- What do I need to do?
- HS Codes
- Re-enforcing the Message
- Q&A's

What are the changes?

3 MAIN CHANGES TO CHINA CUSTOMS (CHINA ORDER 33)

CHANGES TO CHINA CUSTOMS REQUIREMENTS FOR DUTIABLE SHIPMENTS

Harmonized System Codes (“HS Code”)

- All shipments, with the exception of DOX, being exported from/imported into China will require a Harmonized System code (“HS Code”) to be indicated on customs declaration forms.

Importer and Exporter Customs Registration Codes (“CR Code”)

- All importers and exporters in China are required to register with Customs authorities for an importer or exporter Customs Registration code (“CR Code”). This CR Code is to be indicated on customs declaration forms of all shipments, except for documents and personal effects.

Duty Exemption Withdrawal for Samples and Advertising Materials

- Samples and advertising materials not exceeding RMB 400 (approximately AU\$ 75) in value are currently exempted from duties and taxes. This duty-free value threshold will no longer apply, and the new threshold will be based on the duty liability, as determined by the HS Code. Any shipment with a duty liability less than RMB 50 (approximately AU\$ 8) is exempted from duties and taxes.

Why are there changes?

The main reason the Chinese Government introduced the “Order 33” into their Customs legislation was due to the revenue leakage and smuggling.

For example, the de minimis value is reduced to counteract the splitting of shipments to evade duties and taxes. The CR No’s and HS codes are supposed to combat smuggling by providing Customs with a better means of tracking exporters/importers and identifying the goods content, respectively.



When will they take place?

These new regulations will be mandatory by **1 January 2011**

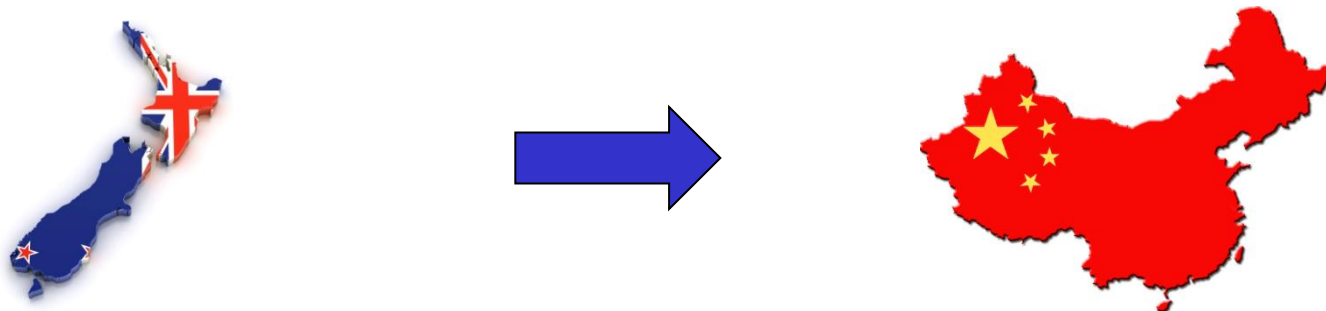
- *The main point to make is that there is a **4 week lead time** to process a “CR Number” through Chinese Customs, therefore to minimise delays your Customer needs to have a CR Number applied for by 1 December 2010.*
- These new requirements affect all players in the logistics industry – CAPEC are working with China Customs to ensure it is a level playing field for Air Express integrators including EMS & postal shipments



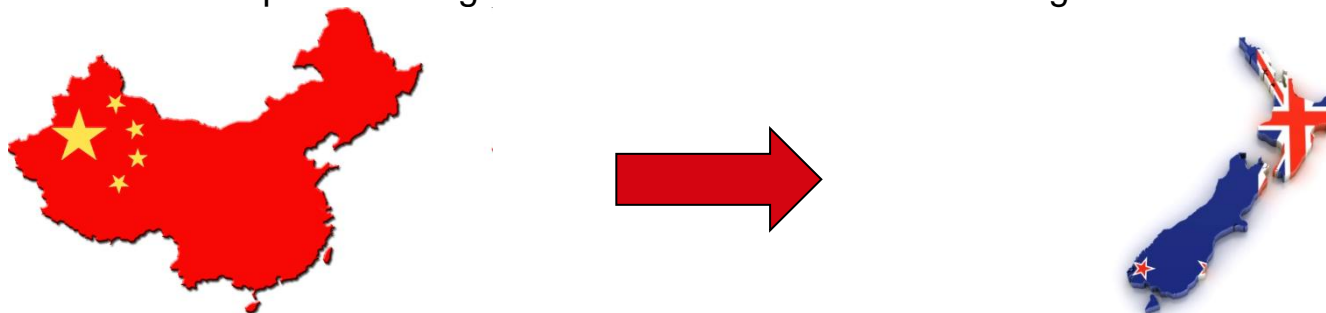
How will this effect my Customer?

As previously mentioned, your Customer needs to contact their contact in China (whether they are importing or exporting) ASAP and have them register for a “CR Number” due to the lengthy time process of 4 weeks.

If **Exporting** to China - *your Customer* needs to ensure that the “CR Number” is entered onto the awb along with a detailed description of the goods and the main HS code relating to the main item of the shipment.



If **Importing** from China – *the Shipper* will need to ensure that the “CR Number” is entered onto the awb along with a detailed description of the goods and the main HS code relating to the main item of the shipment.



AirWaybill Sample



Track this shipment: <http://www.dhl.com>

Shipment Waybill

(Non negotiable)

165 6740 256

GREY SECTIONS FOR DHL USE ONLY

ORIGIN
SYD

DESTINATION CODE

P E K

1 Payer account number and insurance details 付款方账号及快件保险资料

Charge to 付款方式: Shipper (发件人), Receiver (收件人), 3rd party (第三方)

Payer Account No. 付款方账号: _____

Shipment Insurance 见背面

Yes Insured value (按实际价值)

Not all payment options are available in all countries. (并非所有国家的支付方式都可用)

2 From (Shipper) 发件人 (Please print in English/请用英文正楷填写)

Shipper's account number 发件人账号: 960144415

Contact name 联系人: Peter Smith

Shipper's reference (up to 32 characters - first 12 will be shown on invoice)

Company name 公司名称: Best Company Pty Ltd

Address 地址: 10 George Street, Sydney CBD NSW

Postcode/Zip Code (required) 邮政编码(必填): 2001

Phone, Fax or E-mail (required) 电话、传真或电子邮件(必填): 02 213 12345

3 To (Receiver) 收件人 (Please print in English/请用英文正楷填写)

Company name 公司名称: MPEX IMP & EXP Corp.

Delivery address 派送地址: DHL cannot deliver to a PO Box (DHL 无法将快件送至邮政信箱)

Science and Technical Tower
No.9 Zhong Guan Cun Avenue
Hai Dian District, Beijing,
P.R.China

Postcode/Zip Code (required) 邮政编码(必填): 100081

Country 国家: China

Contact person 联系人: Lily Li

Phone, Fax or E-mail (required) 电话、传真或电子邮件(必填): 86-10-62212221



4 Shipment details 空运快件资料

Total number of packages 总件数	Total Weight 总重量	Dimensions In cm 尺寸 (厘米)
Pieces 件数	kg	Length 长 x Width 宽 x Height 高
1	2 * 5	X X X

5 Full description of contents 空运物品之详细描述

Give content and quantity. 物品及数量

Telecommunication Wireless Card

6 Non-Document Shipments Only (Customs Requirement) 仅限包裹快件填写(海关)

Attach the original and two copies of a Proforma or Commercial invoice 随附正式发票及两份副本

Shipper's VAT/GST number 发件人VAT/GST号码: _____

Receiver's VAT/GST or Shipper's EIN/SIN 收件人VAT/GST号码: 3190083104

Declared Value for Customs 海关申报价值: USD 25

Harmonised Commodity Code 海关税则编码: 85176292

TYPE OF EXPORT: Permanent, Repair/Return, Temporary

Destination duties/taxes: Receiver, Shipper, Other

7 Shipper's agreement (Signature required) 快件协议(要求签字)

Signature: _____ Date: / /

8 Products & Services

International Document

Products (not all available to and from all locations)

EXPRESS 9:00

EXPRESS 10:30

EXPRESS 12:00

EXPRESS / WORLDWIDE

ECONOMY SELECT

EXPRESS ENVELOPE

OTHER

Optional Services (extra charges may apply)

Saturday Delivery

Delivery Notification

Non-standard Shipment

Globalmail Business: Priority, Standard, Other

DIMENSIONAL/CHARGEABLE WEIGHT: kg, gr

Importer Customs Registration Number here!

HS Code here!

VAT: _____

No. : _____

Type: _____ Expires: _____

Picked up by: _____

Route No.: _____

Time: _____ Date: _____

What type of products will be affected?

All Shipments, except for DOX will be affected.

Personal Effects shipments (PFX), for private individuals shipments these can be cleared as Personal Effects but Customs Duty will still be levied based on the PFX duty rate. The value limit is CNY 1000 (AU\$150) When the value exceeds this limit, the shipment will be cleared as a normal WPX Shipment and duty & taxes will be levied

B2C Shipments – As consignee's will not be able to register for a CR Number, the DHL CN Team are currently working with China Customs to find potential solutions to minimise delays in clearance processing

What are HS codes?

The Harmonized Commodity Description and Coding System (HS) tariff system is an international standard system of names and numbers for classifying trade products throughout the world. This was developed and maintained by the World Customs Organization (WCO)

Where can I get the HS code/s from?

There are several places where the HS code can be obtain from, here are a few...

Trade Automation Services (TAS) <http://tas.dhl.com/tas/servlet/login>

HS Codes – www.hscode.org

The Customer is required to use the HS code that covers the majority of the goods being shipped on the awb. Yes, there will generally be more HS codes to use, but this will the profile for China Customs to identify what types of goods are being shipped through their borders.



CRITICAL COMPONENTS

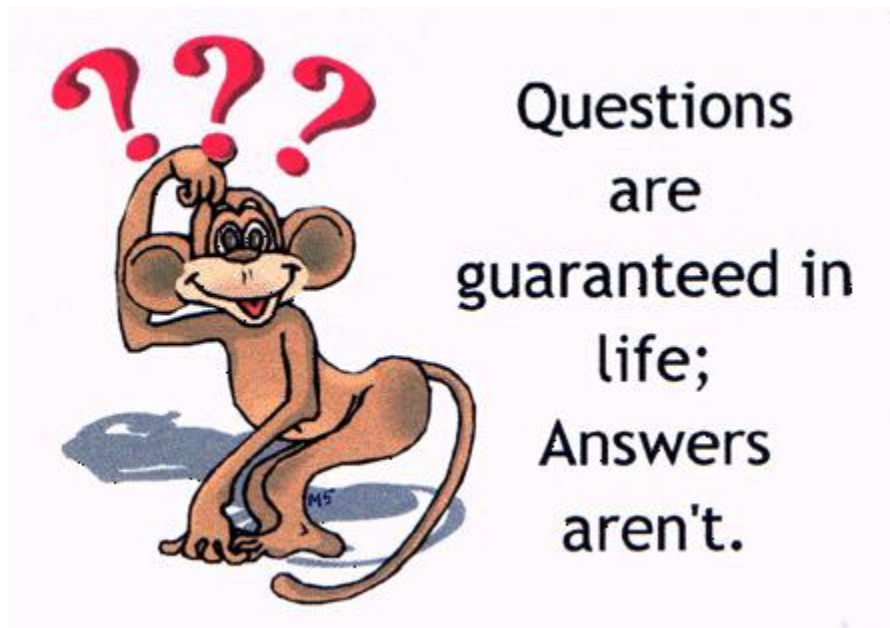
**CRUCIAL
STEPS TO
GUIDE YOUR
CUSTOMERS
THROUGH
CHINA
CUSTOMS
CHANGES**

- Identify your customers shipping to and from China
- Send out the Customer Letter that explains the China Customs Requirement changes
- As a follow-up to the Customer Letter, schedule meetings and/or phone calls with your top China lane customers to:
 - Ensure that the China Customs changes are clear to them
 - Ask your customers about their China importer/exporter CR number, or ask if their trading partners in China have obtained a CR number
 - Assure them that we are here to guide them through these changes, and will address questions or clarifications

Re-enforcing the Message

- The requirements for each shipment from **1st Jan 2011**
 - ***Importer/Exporter Customs Registration number (CR)***
 - ***All WPX shipments with a HS code***
 - ***All shipment declared values to be fair and reasonable***
 - ***Complete and full shipment content description***

 - *If the Customer uses E-com – the CR No & HS codes are to be entered in the 'Description of goods' field*



DHL Express

Europe Customs Requirements Import Control System

October 2010



What Changes?

There is a new electronic security declaration management system - Import Control System (ICS) and legislation for the importation of goods into the European Union and transit via the EU customs territory, will take effect January 1, 2011.

While the Import Control System will impact all goods entering and transiting the EU customs territory via all modes of transport, the legislation will not apply to document shipments (i.e. non dutiable items - DOX).

What does this mean to my Customer?

From a customer's perspective, it is critical that you advise them to provide an accurate and detailed goods description (see recommended '**ICS External Goods Description List**') on their shipping documentation (House Waybill and Shipping Invoice) to ensure that their shipment are facilitated smoothly via ICS. This will also minimize the chance of their shipment being selected for an ICS Inspection.

Examples of insufficient description and acceptable alternatives

Non specific	Acceptable
Agricultural products	Oranges, Fish, Rice, Bread
Aid consignments	Blankets, Medications
Auto Parts	Automobile Brakes, Windshield for Automobiles
Chemicals, hazardous	Actual Chemical Name (not brand name)
Chemicals, non-hazardous	Actual Chemical Name (not brand name)
Cleaning products	Alcohol, Detergents (composition)
Electronics	Personal Computer, televisions LCD, CD Players, Walkmans, Tape Recorders, Mobile phones, Monitors, Printers
Foodstuffs	Biscuits, Sacher Cake, Canned Meat, (See other examples for "Agricultural products")
Machine parts	Pumps, Seals, Engines
Machinery	Metal Working Machinery, Cigarette Making Machinery, Sewing Machines, Printing Machines

