



CROSS-BORDER E-COMMERCE (CBEC)

PROCEDURES FOR SEAFOOD EXPORTED TO CHINA

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Statistics

China's e-commerce has significantly increased with total online retail sales hitting 2.47 trillion yuan in the first five months of 2017 (approximately AUD\$ 475 billion), up 32.5 per cent year-on-year, compared with 32 per cent growth in the first four months. However, physical goods sold online accounted for only 13.2 per cent of total retail sales in the same period. Seeing lucrative opportunities in the offline market, Alibaba, Jingdong (JD.com) and other e-commerce companies have entered into new ventures in offline retail.

Overview of China's 2016 changes to rules

On 24 March 2016, the Chinese government announced that China would change the rules for CBEC from 8 April 2016. However, the government then proceeded to change the dates three times as follows.

- On 20 May 2016, the government extended the implementation of the CBEC new rules until 10 May 2017.
- On 15 November 2016, the government again decided to extend the transition period until the end of 2017, which is applicable to 10 cities on trial basis for the CBEC.
- On 17 March 2017, the government announced new requirements to be implemented from 1 January 2018 in addition to the existing requirements (please note the paragraph below - new rules of CBEC to be implemented from 1 January 2018).

Adjustment to tax rates of personal postal articles effective from 8 April 2016

In the light of the announcement on 24 March 2016 by the government on changes to the rules for CBEC, the adjustment to the taxes on personal postal articles from overseas became effective from 8 April 2016.

From that date, four categories of personal postal articles subject to tax rates of 10 per cent, 20 per cent, 30 per cent and 50 per cent were replaced by three new categories at the tax rates of 15 per cent, 30 per cent and 60 per cent. Categories three and four in the old system were merged into Category three in the new system with a revised list of relevant products (refer sub-appendix Table 1: Comparison of the taxes for personal postal articles in the old and new systems).

Seafood products and other foods are subject to Category one at 15 per cent under the new system.

New rules of CBEC to be implemented from 1 January 2018

The goods of retail imports from cross-border e-commerce (CBEC) will be temporarily assessed as personal belongings.

Supervision measures are also planned to be improved and optimized by strengthening the responsibility of e-commerce enterprises, and preventing and controlling quality and safety risks.

New supervision modes will also be implemented in trial cities for retail imports of cross-border e-commerce. The trial supervision program for the identified 15 cities includes a series of simplified procedures, such as reduced checks on custom access or import permits. The number of trial cities has been increased from 10 to 15 (Tianjin, Shanghai, Chongqing, Zhengzhou, Guangzhou, Ningbo, Qingdao, Shenzhen, Fuzhou, and Pingtan and now to include Hangzhou, Dalian, Chengdu, Suzhou, and Hefei).

New online system for inspection and quarantine

In June 2017, with a view to enhancing the development of CBEC and facilitating customs clearance services, China's AQSIQ announced the following (effective from 13 June 2017):

- AQSIQ to provide for free checklist documentation entry on the AQSIQ CBEC System. E-commerce companies or their agents, and third-party platforms can login to the company terminal sub-system of the AQSIQ CBEC System - <http://www.kj.eciq.cn>. For manual entry, change, declaration or other queries refer to Appendix 2: AQSIQ User Manual of the Inspection and Quarantine Administration System of Cross-Border E-Commerce for more information.
- AQSIQ to publish the standard of documentation integration on the AQSIQ CBEC system and participants in the system will need to adopt the standard. For more information, refer to Sub-appendix 3: AQSIQ Documentation Integration Standard of Inspection and Quarantine Administration System of Cross-Border E-Commerce on Trial Basis V1.0.
- E-commerce companies or their agents, and third-party platforms shall be legally responsible for the electronic data declared and transmitted by them.

The business documentation information by e-commerce companies or their agents, and third-party platforms on the AQSIQ CBEC system is summarized as Table 2 of Appendix 1.

Joint responsibility, preliminary approval and international cooperation

According to the AQSIQ, even though imported retail goods of CBEC are temporarily supervised as personal belongings, AQSIQ will not relax requirements for safety. The next steps to be taken by AQSIQ will be as follows:

- AQSIQ will require all parties of the supply chain to take joint responsibility for food safety, and reasonably define the responsibilities of online-transaction service companies, food establishments, and domestic logistic companies.
- AQSIQ, in cooperation with other China government departments, will develop a preliminary approval system suitable for cross-border e-commerce.
- AQSIQ will cooperate with exporting countries, to establish a new bilateral and multilateral joint-mechanism for food safety in e-commerce, and ensure government official responsibilities of the CBEC of the main countries that export CBEC food to China.

Appendix 1: Comparison of the tax rates for personal postal articles

Comparison of the tax rates for personal postal articles (for posting from overseas) in the old and new systems (China Customs 2016) (163.com 2016) shown in Table below.

The old taxes			New taxes effective from 8 April 2016		
Tax category	Description	Tax rate	Tax category	Description	Tax rate
1	Foods, beverages, books and magazines, films, audio and video tapes, gold and silver products, computers, video recorders and cameras, cameras and other IT products.	10 %	1	Books and newspapers, magazines, video materials for education; computers, video cameras and recorders, digital cameras and other IT products; foods and beverages; gold and silver; furniture; toys, game products, products for holiday and other entertainments.	15 %
2	Textile products, TV video cameras, other home appliances, bicycles, watches, clocks and watches and accessories.	20 %	2	Sports articles (excluding golf balls and gold products), angling products for fishing purpose; textile articles; television video cameras and other electronic appliances; bicycles; Other articles not included in Categories 1 and 3.	30 %
3	Golf balls and golf products, and luxury watches etc.	30 %	3	Cigarettes, alcoholic drinks; luxury jewellery; pearls, jade and precious stones; golf balls and golf products; luxury watches; cosmetics	60%
4	Cigarettes, alcoholic drinks, and cosmetics	50 %			

Table 2 Business Documentation Data Transmission Organization of AQSIQ CBEC System

Serial No	Business Documentation Information	Transmission Organization	Remark
1	Record of business organization	E-commerce company or agent such as e-commerce company, and logistic company	
2	Goods record	E-commerce company or e-commerce platform	
3	Area entry checklist	E-commerce company or e-commerce platform	
4	Area exit checklist	E-commerce company or e-commerce platform	

5	Warehouse documentation	E-commerce company or warehouse company	Suspension of implementation
6	Order for goods	E-commerce company or ecommerce platform	
7	Waybill	Logistic company	
8	Payment sheet	Paying company	

Appendix 2: AQSIQ User Manual of the Inspection and Quarantine Administration System of Cross-border E-Commerce

AQSIQ User Manual of the Inspection and Quarantine Administration System of Cross-border can be found and downloaded here:

http://www.aqsiq.gov.cn/xxgk_13386/jlqg_12538/qtwj/201706/P020170613536199304761.doc

Appendix 3: AQSIQ Documentation Integration Standard of Inspection and Quarantine Administration System of CBEC on a Trial Basis V1.0

*AQSIQ Documentation Integration Standard of Inspection and Quarantine Administration System
of can be found and downloaded here:*

http://www.aqsiq.gov.cn/xxgk_13386/jlqg_12538/qtwj/201706/P020170613536200611701.rar

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