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## **China - Peoples Republic of**

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### **General Administration of Customs Reorganization**

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**Report Highlights:**

In March 2018, China's State Council announced a government reorganization aimed at improving efficiency and customer service in many parts of the Chinese government. The reorganization merged most of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) into the General Administration of Customs of the People's Republic of China (GACC). This merger includes the integration of all former China Inspection and Quarantine (CIQ) offices located at Chinese ports into GACC's existing import/export inspection structure. In early September 2018, the State Council published the "*Regulations on the Allocation of Functions, Internal Bodies and Staffing of the General Administration of Customs,*" which outline GACC's organization and functions. The document also describes GACC's responsibilities when interacting with other Chinese ministries. This report contains a summary of the regulations and an unofficial translation of the document.



## **Executive Summary:**

In March 2018, China's State Council announced a government reorganization aimed at improving efficiency and customer service in many parts of the Chinese government. The reorganization merged most of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) into the General Administration of Customs of the People's Republic of China (GACC). This merger includes the integration of all former China Inspection and Quarantine (CIQ) offices located at Chinese ports into GACC's existing import/export inspection structure.

In early September 2018, the State Council published the "Regulations on the Allocation of Functions, Internal Bodies and Staffing of the General Administration of Customs," which outline GACC's organization and functions. The document also describes GACC's responsibilities when interacting with other Chinese ministries.

GACC is primarily concerned with public security and border protection, entry-exit inspection of goods, and collection of import and export duties and taxes. With the addition of AQSIQ's food and agricultural functions and personnel, GACC is now directly responsible for a wider variety of duties, including agricultural inspections at the port of entry and managing food and agricultural import/export policies. However, how these former AQSIQ functions are effectively integrated into the existing GACC mission and ministry culture remains to be seen.

In terms of food and agriculture, the former AQSIQ Import and Export Food Safety Bureau and Plant and Animal Health Department have largely retained their functions, structure, and personnel. Nevertheless, this reorganization represents a major reshuffling of roles and responsibilities and there have been, and will continue to be, issues that arise as a result of the reorganization. Articles 4(8), 4(9), and 4(13) generally capture the core functions of the former AQSIQ's food and agricultural trade issues.

Article 3(15) of this document lays out how GACC will interact with the newly reorganized Ministry of Agriculture and Rural Affairs (formerly the Ministry of Agriculture), the newly reorganized National Health Commission, and the newly formed State Administration of Market Regulations (SAMR).

This report contains an unofficial translation of the State Council's "Regulations on the Allocation of Functions, Internal Bodies and Staffing of the General Administration of Customs." For the original Chinese version, please use this link: [http://www.gov.cn/zhengce/2018-09/10/content\\_5320815.htm](http://www.gov.cn/zhengce/2018-09/10/content_5320815.htm).

**Disclaimer:** In the event of a discrepancy or discrepancies between this unofficial translation and the complete regulation or announcement as published in Mandarin, the latter shall prevail.

## **BEGIN TRANSLATION**

### **Regulations on the Allocation of Functions, Internal Bodies, and Staffing of the General Administration of Customs**

**Article 1** These Regulations are formulated in accordance with the *Decision* of the *CPC Central Committee on Deepening the Reform of Party and State Institutions* and the *Plan for Deepening the Reform of Party and State Institutions* adopted at the third plenary session of the 19<sup>th</sup> CPC Central Committee and the *Plan for Restructuring the State Council* adopted at the first session of the 13<sup>th</sup> National People's Congress.

**Article 2** The General Administration of Customs is a full-ministerial-level government agency that directly reports to the State Council.

**Article 3** The General Administration of Customs shall implement the guidelines, policies, decisions, and arrangements of the Party Central Committee on customs work, and adhere to and enhance the centralized and unified leadership of the Party on customs work in the process of performance of its functions. Its main functions are as follows:

(1) Being responsible for national customs work. Proposing policies on customs work (including entry-exit inspection and quarantine, similarly hereinafter), drafting relevant laws and regulations; and formulating customs plans, departmental rules, and related technical specifications.

(2) Being responsible for organizing and promoting the construction of “General Customs Clearance” in ports. Formulating port administration rules and regulations jointly with the departments concerned, organizing and drawing up the port development plans and coordinating their implementation, taking the lead in drawing up the joint prevention and control system for port security, and coordinating and carrying out port related information collection, risk analysis, research and judgment, and disposal. Coordinating the work relations of all departments involved in port clearance, directing and coordinating the port related work of local governments.

(3) Being responsible for customs supervision. Formulating the supervisory regulations on inbound and outbound means of transport, goods, and articles and organizing their implementation. Undertaking work related to the technical measures to trade as prescribed. Carrying out import and export trade regulatory policies according to law; being responsible for the customs protection for intellectual property rights and for the administration of customs markings. Organizing and carrying out counter-terrorism, stability maintenance, non-proliferation, and export control work in the link of customs administration. Formulating the customs supervision regulations on bonded businesses such as processing trade and organizing their implementation, taking the lead in reviewing the establishment and adjustment of the special areas under customs control.

(4) Being responsible for the collection and administration of import and export duties and other taxes. Proposing the collection and administration regulations, working out the classified catalogue for import and export commodities, and organizing its implementation and

interpretation. Taking the lead in conducting negotiations with foreign countries based on the multilateral and bilateral rules of origin, drawing up the rules of origin for import and export commodities, and being responsible for the organization and implementation of work such as visa management according to law. Enforcing anti-dumping and anti-subsidy measures, supporting such measures and other tax measures according to law.

(5) Being responsible for the entry-exit health quarantine, and the inspection and quarantine for entry-exit of animals and plants and their products. Collecting and analyzing overseas epidemic information, organizing and implementing port disposal measures, and undertaking work related to emergencies such as public health emergencies in ports.

(6) Being responsible for the legal inspection of imported and exported commodities. Supervising and administering the identification, verification, and quality safety of imported and exported commodities. Being responsible for the inspection, quarantine, supervision, and administration of import food and cosmetics, and carrying out work related to export food on the basis of multilateral and bilateral agreements.

(7) Being responsible for customs risk management. Organizing customs trade investigation, market investigation, and risk monitoring; establishing a risk assessment index system, a risk monitoring early warning and tracking system; and a prevention and control mechanism for risk management. Carrying out customs credit management and being responsible for customs inspection.

(8) Being responsible for customs statistics such as the trade in imported and exported State goods. Releasing customs statistical information and statistical data, organizing and implementing dynamic monitoring and evaluation, and establishing a public information service platform that is to serve import and export enterprises.

(9) Being responsible for the nationwide crackdown on smuggling and comprehensive treatment thereof. Investigating and treating smuggling and illegal cases according to law, being responsible for the reconnaissance, detention, arrest, and preliminary hearing of smuggling cases under its jurisdiction; organizing and carrying out customs anti-smuggling work.

(10) Being responsible for formulating and organizing implementation of the scientific and technological development plans, and the laboratory construction and technical support plans for customs. Organizing relevant scientific research and technology imports.

(11) Being responsible for the international cooperation and exchanges in the field of customs. Joining relevant international organizations on behalf of the State; executing and implementing relevant international cooperation treaties, agreements, and memorandums of agreement.

(12) Vertically administering China customs.

(13) Accomplishing other tasks assigned by the Central Committee of the Communist Party of China and the State Council.

(14) Transformation of functions.

1. Strengthening supervision and strictly guarding the security of the country. Focusing on the risk management, speeding up the establishment of a prevention and control mechanism for risk management with respect to the gathering of risk information, unified analysis, research, and judgment, and the centralized command and disposal; extending and expanding the supervision range from port clearance to the whole entry and exit chains and broader fields, and changing the mode of supervision from the separate operation to the overall and intensive operation, further improving the supervisory intelligence and accuracy, practically safeguarding the economic security, and firmly keeping the goods and articles that endanger ecological security and people's health such as foreign garbage and smuggled ivory and the infectious diseases, plant diseases, and insect pests out of the country.

2. Streamlining administration and delegating power to the lower levels to facilitate trades. Integrating the customs operations, further reducing the examination and approval items, reducing the in-process operation links and formalities, promoting "the unification of inspection and examination", expanding "the unification of multiple inspections", optimizing the customs clearance procedures, and shortening the clearance time. Integrating the service resources and data from all kinds of government affairs, speeding up the promotion of "single window" for international trade, and realizing "one-time login enables full network access" for enterprises. Expediting the "Internet + Customs" construction, making documents and materials submitted in one place available throughout the country and available for repeated uses. Expediting the construction of the public information service platform which is to serve the import and export enterprises; collecting and sorting out the access standards, technical specifications, and customs regulatory policies and measures for import and export products of all countries; providing convenient inquiry and consultation services for import and export enterprises, and providing free information access or access at lower cost.

3. Deepening Port Reform. Proceeding from the whole situation of the national security and overall interests, optimizing port layouts, integrating the ports that are close in distance, closing the ports with small business volumes, strictly controlling the opening of new ports, and reducing disorderly port competition and low-level redundant development.

(15) Division of related functions.

1. Division of related functions with the Ministry of Agriculture and Rural Affairs: (1) The Ministry of Agriculture and Rural Affairs shall draw up the laws and regulations on the quarantine of entering/exiting animals and plants in collaboration with the General Administration of Customs; the Ministry of Agriculture and Rural Affairs and the General Administration of Customs are responsible for determining and adjusting the catalogue of animals and plants prohibited from being carried into China and shall publish it jointly; the General Administration of Customs shall formulate and publish the bans and the lifting of the bans on the entry and exit of animals, plants, and their products jointly with the Ministry of Agriculture and Rural Affairs. (2) In terms of international cooperation, the Ministry of Agriculture and Rural Affairs is responsible for signing the inter-governmental agreements and treaties on animal and plant quarantine; the General Administration of Customs is responsible for signing and implementing the agreements and memorandums of agreement relating to the inter-

governmental agreements and treaties on animal and plant quarantine, and the agreements among animal and plant quarantine authorities. (3) The two Ministries should coordinate and closely cooperate with each other and jointly carry out the quarantine for entering/exiting animals and plants.

2. Division of related functions with the National Health Commission: The National Health Commission is responsible for the overall prevention and control of infectious diseases and the responses to public health emergencies, as well as the preparation of the catalog of infectious diseases under frontier sanitary quarantine supervision as well. The National Health Commission and the General Administration of Customs shall establish and improve a cooperation mechanism to deal with port infectious diseases and public health events, a reporting and exchanging mechanism for infectious diseases and public health events, and a reporting and cooperative handling mechanism for port imported epidemics.

3. Division of related functions with the State Administration for Market Regulation: (1) The two Administrations shall establish a mechanism to avoid repeated inspection, charging and penalties against import and export commodities, import and export foods, and cosmetics to ease the burden on enterprises. (2) The General Administration of Customs is responsible for the supervision and administration of the safety of imported food. The imported food and food related products should conform to the food safety standards of the State. Where a food safety incident occurred outside China may impose impacts on our country or a serious food safety problem is found in the imported food, the General Administration of Customs shall take early warning or control measures in a timely manner, report it to the State Administration for Market Regulation, and the State Administration for Market Regulation shall take appropriate measures without delay. (3) The two Administrations shall establish a reporting and cooperation mechanism for defect information on imported products. Where the General Administration of Customs finds any substandard imported product or imported product with a potential safety hazard during port inspection and supervision, it shall conduct technical processing, return or destroy it, and then notify the State Administration for Market Regulation about it. The State Administration for Market Regulation shall exercise unified management over the recall of defective products. Where it is learned that any imported product is defective through consumer reports, incident investigation, injury surveillance, and others, the State Administration for Market Regulation shall take recall measures according to law; in case of a refusal to perform the recall obligation, the State Administration for Market Regulation shall inform the General Administration of Customs, and the General Administration of Customs shall take appropriate measures according to law.

**Article 4** The General Administration of Customs has the following internal bodies:

(1) General Office (National Office of Port Administration) It is responsible for the routine operation of the Administration and undertaking work such as security, confidentiality, letters and visits, and publicity on governmental affairs. Taking the lead in drafting the port administration rules and regulations, organizing and drawing up the port development plans, the e-port specifications and coordinating their implementation; taking the lead in drawing up the joint prevention and control regulations for port security; coordinating the working relations of

all departments involved in port clearance; directing and coordinating the port work of local governments.

(2) Department of Policy and Legal Affairs Drafting relevant laws and regulations and departmental rules, undertaking the legality review on the drafts of relevant international cooperation treaties, agreements, and memorandums of agreement as well as normative documents, undertaking the customs standardization work and the relevant administrative reviews and administrative responses.

(3) Department of Integrated Services Undertaking the planning and coordination and the comprehensive management of routine businesses, and the work related to the nationwide integration of customs clearance. Taking the lead in drawing up the comprehensive development plans for customs businesses, organizing and drawing up the technical specifications relating to customs. Coordinating and carrying out technical measures to trade that are related to the customs administration, drawing up the customs supervisory regulations on the goods and articles that are prohibited or restricted by the State from entry into and exit from China. Undertaking the customs clearance process standardization, declaration normalization, and clearance of administration work. Organizing and implementing the customs protection on intellectual property rights. Undertaking the overall planning, comprehensive coordination, whole advancement, and the urging and fulfillment of major customs reforms.

(4) Department of Free Trade Zone and Special Areas Taking the lead in drawing up the development plans and supervisory regulations for the free trade zones and other areas under special customs supervision; undertaking the establishment, in-process and ex-post supervision over the free trade zones and other areas under special customs supervision.

(5) Department of Risk Management Drawing up the customs risk management regulations and organizing their implementation; undertaking and organizing customs risk monitoring work; establishing a risk assessment index system, a risk monitoring early warning and tracking system, and a prevention and control mechanism for risk management. Coordinating and carrying out port-related information collection, risk analysis, research, and judgment as well as the corresponding response, study and implementation of the overall planning system, and plans for the customs application of big data and organizing their implementation, regularly releasing port safety running reports, directing and coordinating the disposal of major business risks and safety risks.

(6) Department of Duty Collection Undertaking work related to the taxation and legislation of customs duties; participating in the formulation of the import and export tax regulations, the import and export tax policies, the adjustment of taxable items and tax rates as well as the relevant negotiations with foreigners; drawing up the regulations on the collection and administration of import and export duties and other taxes and organizing their implementation. Undertaking work such as the classification catalog, rules of origin, visa management, and customs assessment for import and export commodities; undertaking the negotiations with foreign countries on the basis of multilateral and bilateral rules of origin; organizing and implementing the reduction and exemption of national tariffs and import-related

taxes; organizing and implementing the anti-dumping and anti-subsidy measures, the supporting measures, and other tariff measures.

(7) Department of Health Quarantine Drawing up the working system for the supervision over the entry-exit health quarantine and the plan for handling public health emergencies in ports; undertaking the entry-exit health quarantine, infectious disease, and overseas epidemic situation monitoring, health supervision, sanitary treatment and the responses to public health emergencies in ports.

(8) Department of Animal and Plant Quarantine Drawing up the working system for the inspection and quarantine of animals and plants and their products; undertaking the inspection, quarantine, supervision, and administration of entering-exiting animals and plants and their products; organizing and implementing risk analysis and emergent preventive measures according to the division of work; undertaking the inspection and quarantine for entering-exiting transgenic organisms and their products, and the resources of biological species.

(9) Import and Export Food Safety Bureau Drawing up the working system for the safety, inspection, and quarantine of imported and exported food and cosmetics; undertaking the record filing and registration for import food enterprises and the inspection, quarantine, supervision, and administration of imported food and cosmetics; organizing and implementing risk analysis and emergent preventive measures according to the division of work. Undertaking the work related to the food for export according to the multilateral and bilateral agreements.

(10) Department of Commodity Inspection Drawing up the working system for the statutory inspection, supervision and administration of import and export commodities, undertaking the safety risk assessment, and risk early warning and quick response work for import commodities. Undertaking the verification of import commodities that are subject to the licensing system exercised by the State, supervising and administering the quantity and weight survey of the commodities subject to statutory inspection. Undertaking the work related to the commodities for export according to the multilateral and bilateral agreements.

(11) Port Supervision Department Drawing up the working system for the customs examination, inspection, and quarantine of the inbound and outbound means of transport, goods, articles, animals and plants, food, cosmetics, and personnel and organizing its implementation; drawing up the working system for the administration of logistics for the monitoring and surveillance of workplaces and operators and organizing its implementation, and drawing up the supervisory regulations on the inbound and outbound mail expresses, temporary inbound and outbound goods, inbound and outbound exhibits, and organizing their implementation. Undertaking the supervision and administration of the goods and articles that are prohibited or restricted by the State from entry into and exit from China; undertaking the counter-terrorism, stability maintenance, non-proliferation, export control, and other work in the customs administration link; undertaking the port administration work for importing solid wastes, and importing and exporting precursor chemicals.

(12) Department of Statistical Analysis Drawing up the customs statistical system and organizing its implementation; undertaking the statistics and statistical analysis for the import

and export trades of goods and other customs businesses; releasing customs statistical information and customs statistical data; preparing and publishing the foreign trade index number of the State, and undertaking the administration over the customs clearance information and documents. Studying and analyzing the national macroeconomic and foreign trade policies and situations; drawing up customs development plans. Undertaking relevant dynamic monitoring and assessment work; promoting the construction of the public information service platform which is to serve the import and export enterprises.

(13) Department of Enterprise Management and Inspection Drawing up the customs credit management system and organizing its implementation; drawing up the system for the administration of processing trade and other bonded businesses and organizing its implementation; drawing up the system for customs inspection, trade investigation and market investigation and organizing its implementation.

(14) Anti-Smuggling Bureau (Coordination Office of National Anti-smuggling Program) Drawing up the social comprehensive treatment policies and measures for anti-smuggling, investigating, and dealing with smuggling and illegal cases; investigating cases of offence of smuggling, and carrying out work on smuggling suppression of smuggling. Organizing and carrying out international (regional) cooperation in combating smuggling and undertaking the intelligence liaison work of the World Customs Organization. The Anti-Smuggling Bureau is co-administered by the General Administration of Customs and the Ministry of Public Security, and is mainly subject to the leadership of the General Administration of Customs.

(15) Department of International Cooperation (Office of Hong Kong, Macao, and Taiwan Affairs) Drawing up the international customs cooperation system and organizing its implementation; organizing and carrying out exchanges and cooperation with foreign (regional) customs, international organizations and institutions; coordinating with the negotiation, execution, and implementation of relevant agreements; directing relevant business work of the institutions functioning abroad in collaboration with the parties concerned. Undertaking work related to technical trade measures. Undertaking the customs exchange and cooperation affairs related to Hong Kong, Macao, and Taiwan and undertaking relevant foreign affairs. Undertaking the customs affairs related to the construction of “the Belt and Road” according to the division of work.

(16) Department of Finance Drawing up the system for the administration of all kinds of capital, special funds and State-owned assets, capital construction, government procurement, confiscated properties, transportation equipment, and uniform making; organizing its implementation; administering the collection and depositing of taxes and confiscated money collected; undertaking the administration of budget and final accounting.

(17) Department of Science and Technology Drawing up plans for scientific and technological development, technological equipment support, information standards and specifications, and laboratory construction for customs and organizing their implementation; carrying out administration over the relevant scientific research, technology importation, and the

development, promotion, and operation of technological application projects; and undertaking the security work for the network and information system.

(18) Department of Supervision and Internal Auditing Drawing up the working system for law enforcement supervision, enforcement assessment, internal control mechanism, and internal audit of the customs institutions and organizing its implementation; drawing up the economic responsibility auditing and management auditing system for customs officials during their terms of office and organizing its implementation.

(19) Department of Personnel and Education Undertaking the personnel, organization establishments, customs titles, labor wages, and education work for cadres of the institutions, systems and directly affiliated units; directing the construction of talent teams in the customs industry and the administration over subordinate academies.

Office of Political Affairs Undertaking functions such as administering the cadres; leading the construction of grassroots party organizations; carrying out ideological and political work, cultural development, and team building. The routine work of the Office of Political Affairs shall be undertaken by the Department of Personnel and Education and the Office of Ideological and Political Affairs. The Office of Ideological and Political Affairs and the Party Committee are the same institution with two names.

Party Committee Being responsible for the party-masses work of the institutions and the directly affiliated units in Beijing.

Office of Retired Personnel It is responsible for the work of retired personnel, directing the work about retired customs system personnel and that of the directly affiliated units.

**Article 5** The personnel quota of the General Administration of Customs is 847 (including 2 “two-committee” establishments, 6 mobile establishments, and 37 retired-personnel establishments). There are 1 Director, 4 Deputy Directors, 1 Director of the Office of Political Affairs (vice-ministerial ranking), 100 leadership positions at the department and bureau level (including 2 chief engineers, 1 chief laboratory worker, 3 full-time deputy secretaries of the Party Committee, 4 supervisory positions at the Office of Retired Personnel).

**Article 6** The setting, functions, and establishment of the institutions under vertical administration of the General Administration of Customs shall be stipulated separately.

**Article 7** The setting, functions and establishment of the institutions affiliated with the General Administration of Customs shall be stipulated separately.

**Article 8** These Regulations shall be interpreted by the State Commission Office of Public Sectors Reform, and the adjustments hereto shall be handled by the State Commission Office of Public Sectors Reform according to the prescribed procedures.

**Article 9** These Regulations shall enter into force as of July 30, 2018.

**END TRANSLATION**