

Customs Clearance Procedure For Goods In Transit

Many Foreign investors engaged in China trade are not familiar with customs clearance procedures and have queries about tax-related issues. Below is a selection of questions submitted by foreign investors. The answers are provided by the Faculty of Economics, Shenzhen University.

Q: I would like to ship some cargoes in transit to the interior of Guangdong province by truck. Should I apply to customs authorities at the port of destination or port of exit?

A: Either one is fine.

Q: When should I make customs declaration at the port of destination?

A: You should make customs declaration one hour before the arrival of the import cargoes in transit at the port of destination.

Q: What documents do I have to submit to Customs for checking upon arrival of the import cargoes in transit by truck?

A: Three documents have to be presented to Customs. "Manifest of Cargoes in Entry / Exit Vehicle". "Driver's Handbook" and Customs Duty Collection Slip.

Q: My cargoes in transit are governed by licensing control and have completed the required procedures at the customs of port of entry. Do I still need to present to Customs at the port of destination the "Import Cargoes in Transit Slip"?

A: No.

Q: If I find out that the data declared in advance about the contents of the cargoes in transit are incorrect, what should I do?

A: You should apply to Customs at the port of destination for amendment when the goods concerned arrive there. Under normal circumstances, given the goods concerned have not been inspected by Customs and there are justifiable reasons, you may be allowed to make the correction upon customs approval.

Q: If I complete customs declaration in advance for certain imports and the shipment is subsequently cancelled, when should I notify Customs about the cancellation?

A: You should do so within three days. If the procedure is not completed as scheduled, Customs will automatically terminate it in accordance with the relevant regulations.

Q: If a corporate taxpayer deals in goods and taxable

labour services subject to different tax rates and the sales turnovers for the two are not separately audited, which tax rate will be applied?

A: The one with the highest tax rate.

Q: When the tax amount on purchases exceeds that of sales during a given period, what should the corporate taxpayer do?

A: The short fall can be carried forward to be deducted during the following period.

Q: If the sideline business of a corporate taxpayer involves items that are tax-free or eligible for tax breaks, what should he do?

A: The sales revenues of such items should be audited separately. Otherwise, they will not enjoy tax exemption or reduction.