

Trial Measures on the Exclusion of Additional Tariff Commodities Imposed by the United States

I. Applicant Body

The applicant body is the stakeholder who applies for the exclusion of the commodities, including companies in China or its industry (commercial) associations which engaged in the import, production or use of the relevant commodities. Industry (commercial) associations are encouraged to submit the application on behalf of their members.

II. Scope of the Application for Exclusion

The scope of the application for exclusion is the commodities which China have published and implemented, and have not ceased or suspended the imposition of tariff. The first batch is including the commodities which in *List 1 of Imposing Additional Tariff Commodities Imposed from the United States* which attached in the *Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on USD50 Billion Worth of Imported Commodities Originating from the US (Announcement of the Customs Tariff Commission [2018] No. 5)* and *List 2 of Imposing Additional Tariff Commodities Imposed from the United States* which attached in the *Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on USD16 Billion Worth of Imported Commodities Originating from the US (Announcement of the Customs Tariff Commission [2018] No. 7)*. The second batch is including attached annex 1-4 commodities in *Announcement of the Customs Tariff Commission of the State Council on Imposing Additional Tariffs on some Imported Commodities (the second batch) Originating from the US (Announcement of the Customs Tariff Commission [2018] No. 6)*. The above two batches do not include the commodities that have ceased or have been suspended for imposed additional tariff, such as automobiles and spare parts.

III. The Application Method and Time

The applicant shall fill out and submit the tariff exclusion application through the website of Ministry of Finance, Taxation Policy Research Center, <http://gszx.mof.gov.cn>. The application for the first batch of commodities is available from June 3, 2019 and the deadline will be July 5, 2019. The application for the second batch will start from September 2, 2019 and the deadline will be October 18, 2019.

IV. The Application Requirement

The applicant body who only applies for one item of tariff exclusion (8 digits, the same below) shall fill out one form. The applicant who applies for the exclusion of multiple commodities shall fill out a form for each product separately. The company which has already submitted information to the industry (commercial) association for the same tax item, and the information has been reported by the industry (commercial) association, cannot report repeatedly.

The applicant body shall file the exclusion application in a complete form based on the specific

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instructions and requirement on the website above, and explain the following three reasons according to facts and figures:

The difficulties in finding alternative sources of commodities; the severe economic damage caused by the imposition of additional tariff to the applicant body; the serious negative structural effect on relevant industry by the imposition of additional tariff (including the industry development, technology advancement, employment, environmental protection, etc.) or serious social consequences. The application will not be handled if requirements are not met.

The applicant body shall be responsible for the authenticity of the information to be reported. If it is found through verification that there is false information, the application for exclusion will not be considered. The information submitted by the applicant is limited to the use of the work on exempting certain commodities from the additional tariffs on imports from the United States. The information will not be disclosed to third parties without the consent of the applicant, except it is at the request of the government, legal policy, etc.

V. Publication of the Exclusion List

The Customs Tariff Commission of the State Council will hold the examination of valid applications one by one, conduct investigations and studies, listen to the opinions of relevant experts, associations, and departments, formulate and publish exclusion lists according to procedures.

For the commodities in the exclusion list, the tariffs imposed by China for anti-US 301 measures will not be imposed within one year from the date of implementation of the exclusion list; if the conditions for refunding taxes are met, the tariffs already imposed will be refunded. The relevant importing enterprises shall apply to the Customs for approval within 6 months from the date of publication of the exclusion list. For commodities that have stopped or have suspended for being imposed additional tariffs before the publication of the exclusion list, the additional tariffs imposed before will not be refunded.

There are two main situations in which the tax refund conditions are met. First, it is excluded by the exclusion list according to the tax item; second, the commodity in the exclusion list is part of the tax item, and the customs has a conditional tax refund. For instance, based on the tax item, Customs has an additional code.