



**THE US-CHINA BUSINESS COUNCIL**

美中贸易全国委员会

**USCBC UNOFFICIAL TRANSLATION**

**State Council Customs Tariff Commission Notice on the Trial Implementation of the Exclusion Work for US Products Subject to Ad Valorem Tariffs ([Tariff Commission Notice \[2019\] No. 2](#))**

According to the stipulations of the Customs Law, Foreign Trade Law, Import-Export Tariff Regulations, and other relevant laws and regulations, the State Council Customs Tariff Commission has decided to launch exclusion work for US products subject to ad valorem tariffs on a trial basis. According to the applications of Chinese stakeholders, we will exclude some of the products that meet requirements from the scope of ad valorem tariffs on US products. We will take exclusion measures such as temporarily not imposing ad valorem tariffs and refunding ad valorem tariffs collected on products that have the conditions necessary for refunding tariffs. See the attachment for Trial Measures on the Exclusion Work for US Products Subject to Ad Valorem Tariffs.

Attachment: [Trial Measures on the Exclusion Work for US Products Subject to Ad Valorem Tariffs](#)

State Council Customs Tariff Commission

May 13, 2019

**Attachment: Trial Measures on the Exclusion Work for US Products Subject to Ad Valorem Tariffs**

**1) Applicants**

Applicants should be stakeholders applying for product exclusion, including enterprises in China or their industry or business associations that import, produce, or use relevant products. We encourage industry and business associations to represent their members in making applications.

**2) Scope of Eligibility for Exclusion Applications**

The scope of eligibility for exclusion applications is products for which we have already announced implementation of ad valorem tariffs which have not been canceled or temporarily suspended. The first batch includes the products in the attachment [List 1 of US Products Subject to Ad Valorem Tariffs](#) of the State Council Customs Tariff Commission Notice on Ad Valorem Tariffs on \$50 Billion of Imported Products Originating in the United States ([Tariff Commission Notice \[2018\] No. 5](#)), and [List 2 of US Products Subject to Ad Valorem Tariffs](#) of the State Council Customs Tariff Commission Notice on Ad Valorem Tariffs on About \$16 Billion of Imported Products Originating in the United States ([Tariff Commission Notice \[2018\] No. 7](#)). The second batch includes the products in attachments 1-4 of the State Council Customs Tariff Commission Notice on Ad Valorem Tariffs on Certain Imported Products Originating in the United States (Batch 2) ([Tariff Commission Notice \[2018\] No. 6](#)). The above two

*Unofficial translation, for reference only*

batches of products do not include automobiles and auto part products for which ad valorem tariffs have already been canceled or temporarily suspended. *[Note: Tariffs on three lists of automobiles and auto parts were temporarily suspended until March 31 in [Tariff Commission Notice \[2018\] No. 10](#). This temporary suspension was extended indefinitely in [Tariff Commission Notice \[2019\] No. 1](#)]*

### **3) Application Method and Timeframe**

Applicants should fill out and submit their exclusion applications according to requirements through the Ministry of Finance Tariff Policy Research Center web address <http://gszx.mof.gov.cn>. We will begin accepting applications for the first batch of products eligible for exclusion applications starting June 3, 2019 and lasting through July 5, 2019. We will begin accepting applications for the second batch of products eligible for exclusion applications starting September 2, 2019 and lasting through October 18, 2019.

### **4) Requirements for Filling Out and Submitting Applications**

To apply to exclude a tariff code (eight digits, same for the below references) product, [applicants must] fill out and submit a form. To apply to exclude products under multiple tariff codes, [applicants must] fill out and submit a form for each tariff code product. For the same tariff code product, if an enterprise has already submitted information to an industry or business association and the industry or business association has already compiled and submitted it, the enterprise may not fill out and submit it again.

The applicant should completely fill out and submit exclusion application information according to the specific instructions and requirements for exclusion applications in the above web address. They should use facts and data to explain the following three aspects of their reason for application: difficulties faced in seeking alternative sources of goods; how ad valorem tariffs cause serious economic damage to the applicant; how ad valorem tariffs will have a major negative structural impact on the relevant industries (including impact on industry development, technological advances, employment, environmental protection, etc.) or lead to serious social consequences. Applications that do not fulfill requirements will not be accepted.

Applicants should be responsible for the truthfulness of the information they fill in and submit. If we discover false information during examination, we will not consider the exclusion application filled out and submitted by the relevant applicant. Information filled out and submitted by the applicant will only be used for the exclusion work of ad valorem tariffs on US products. We will not release it to third parties without the agreement of the applicant, except for reasons such as complying with government requirements, legal or policy needs, etc.

### **5) Issuance of Exclusion Lists**

The State Council Customs Tariff Commission will organize a review of valid applications one by one. We will launch investigations and research; listen to the opinions of relevant experts, associations, and departments; and draft and issue exclusion lists according to procedure. *[Note: Due to characteristics of the Chinese language, it is unclear whether there will be a single exclusion list or multiple exclusion lists.]*

*For the purposes of this translation, we are working on the assumption that there will be multiple lists released over a period of time.]*

For products on an exclusion list, we will not collect any more ad valorem tariffs in retaliation for US Section 301 measures within one year of the implementation date of the exclusion list. We will refund ad valorem tariffs already collected on products that have the conditions necessary for refunding tariffs. The relevant importing enterprises should apply to customs according to regulations within six months of the release of an exclusion list. Ad valorem tariffs already collected on products whose ad valorem tariffs are canceled or suspended before an exclusion list is issued will not be refunded.

There are two main situations under which [products] possess the conditions for a tariff refund. One is where an exclusion list conducts exclusion based on a tariff code, and the second is where a product on an exclusion list is part of a tariff code and customs has the conditions to refund tariffs, for example, where customs has an additional code on top of the base tariff code.