PRESS RELEASE

GAC promulgated The Decision on Amending the PRC Customs Supervision and Administration Measure of Processing Trade Goods Procedures (2)

Beijing, China – Nov 10, 2010

The General Administration of Customs (hereinafter to be referred as “GAC”) promulgated The Decision on Amending the PRC Customs Supervision and Administration Measure of Processing Trade Goods Procedures (2), to make the following amendments to PRC Customs Supervision and Administration Measure of Processing Trade Goods Procedures (Announcement No. 113 of the General Administration of Customs) (hereinafter to be referred as “Measures”). The main amendments are listed as follows:

1. Article 7 of the Measure is amended to: without Customs approval, processing trade goods cannot be pledged.

2. Adding ‘Processing trade enterprises shall conduct separate management of processing trade goods and unprocessed trade goods. Enterprises changing storage place of processing trade goods shall be approved by Customs.’

3. Article 27 of the Measure is amended to: special materials for processing trade goods should be dedicated to the special purpose. Due to the urgent needs of the exported products, after Customs approval, interchanges can be made between bonded items and between bonded items and non-bonded items of the operating enterprises. Where it is the customers’ materials for processing, import bonded items cannot be interchanged.

The Decision on Amending the PRC Customs Supervision and Administration Measure of Processing Trade Goods Procedures (2) will come into effect on 5th December 2010.

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