

Legislations on Certified Enterprises/AEO

January 2015

Department of Audit-Based Control and Risk
Management
General Administration of Customs of the
People's Republic of China

The AEO legislations in English are not legally binding due to unofficial translation. The documents are prepared for the purpose of discussion of the Mutual Recognition Arrangement of AEO program with other Customs Administrations. The version 2.0 was completed in January 2015.

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TABLE OF CONTENTS

I . DECREE NO. 225 OF GACC:	3
II. BULLETIN NO. 75 OF GACC 2014	11
ANNEX 1: APPLICATION FOR THE STATUS OF CERTIFIED ENTERPRISES.....	12
ANNEX 2: DECISION NOT TO GRANT THE STATUS OF CERTIFIED ENTERPRISES.....	13
ANNEX 3: DECISION TO TERMINATE CERTIFICATION.....	14
ANNEX:4 NOTICE OF RECTIFICATION	15
ANNEX 5: AEO CERTIFICATE	16
ANNEX 6: DECISION OF DETERMINATION OF CREDIT STATUS.....	17
ANNEX 7: RECEIPT OF THE APPLICATION FOR THE STATUS OF CERTIFIED ENTERPRISES.....	18
III. BULLETIN NO. 81 OF GACC, 2014	19
IV. BULLETIN NO. 82 OF GACC, 2014	21
ANNEX 1: CRITERIA OF CERTIFIED ENTERPRISES OF CUSTOMS ADMINISTRATION (ADVANCED CERTIFIED ENTERPRISE) .	22
ANNEX 2: CRITERIA OF CERTIFIED ENTERPRISES OF CUSTOMS ADMINISTRATION (GENERAL CERTIFIED ENTERPRISE)....	37
V. FIGURES	51
FIGURE 1: DOCUMENTS FOR APPLICATION	51
FIGURE 2: CERTIFICATION PROCEDURE	52
FIGURE 3: CERTIFICATION TERMINATION.....	53
FIGURE 4: DECISION PROCESS.....	54

I .Decree NO. 225 of GACC:

Decree No. 225 of the General Administration of Customs of the People's Republic of China

Published on October 14, 2014

Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management(IMECM) , which were deliberated and adopted by the executive meeting of the General Administration of Customs on September 4, 2014, are hereby promulgated and shall come into effect on December 1, 2014.

Minister

October 8, 2014

Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management

Chapter I General Provisions

Article 1 For the purpose of pushing forward the development of social credit systems, establishing import and export credit management systems, and ensuring trade security and facilitation, these Measures are hereby formulated in accordance with the *Customs Law of the People's Republic of China* and the provisions of other relevant laws and administrative regulations.

Article 2 These Measures shall apply to the collection and public disclosure of credit information of enterprises registered with Customs administrations as well as the determination and management of enterprise credit status.

Article 3 Customs administrations will determine the status of an enterprise as a certified enterprise, a general-credit enterprise or a discredited enterprise depending on the enterprise's credit standing and will take appropriate administrative measures against said enterprise pursuant to the principle of facilitating enterprises that act in good faith and in compliance with laws and penalizing enterprises that lose credit and go against laws.

Article 4 A certified enterprise is an Authorized Economic Operator(AEO) recognized by Customs administrations of China, which carry out mutual recognition of AEOs with the Customs administrations of other countries or regions in accordance with laws, and grant corresponding clearance facilitation to mutually recognized AEOs.

Article 5 Customs administrations will, in light of the needs of the development of social credit systems and the international cooperation, establish a mechanism to cooperate with other related authorities of the State and the Customs administrations of other countries or regions to promote mutual exchange of information, mutual recognition of supervision, and mutual assistance in law enforcement.

Chapter II Collection and Public Announcement of Enterprise Credit Information

Article 6 The Customs administration shall collect the following information that is able to reflect the import and export credit status of an enterprise in order to establish a management system of enterprise credit information:

1. Registration information of the enterprise filed with the Customs administration;
2. Import and export business information of the enterprise;
3. AEO mutual recognition information;
4. Information of the enterprise filed with other administrative authorities; and
5. Other information relating to the import and export of the enterprise.

Article 7 On the condition that state secret, trade secret and personal privacy are protected, the Customs administration shall publicly disclose the following credit information of an enterprise:

1. Registration information of the enterprise filed with the Customs administration;
2. The result of Customs determination on the credit status of the enterprise ;
3. Information regarding administrative sanctions against the enterprise; and
4. Other information of the enterprise that should be announced.

The term of public announcement of information regarding administrative sanctions against the enterprise is five (5) years.

The Customs administration shall publish the method of searching for the credit information of enterprises.

Article 8 Where a citizen, legal person or other organizations deem the enterprise credit information publicized by the Customs administration inaccurate, he may raise objection to the Customs administration and provide relevant materials or evidence. The Customs administration shall review the information within twenty (20) days of receipt of the objection application, and shall accept the objection if the reason(s) for the objection raised by the citizen, legal person or other organizations is tenable.

Chapter III Criteria and Procedures of Determination of an Enterprise's Credit Status

Article 9 A certified enterprise shall be in compliance with the Criteria of Certified Enterprises of the Customs Administration.

The Criteria of Certified Enterprises of the Customs Administration are classified into criteria of general certified enterprises and criteria of advanced certified enterprises, which are formulated and published by the General Administration of Customs.

Article 10 An enterprise falling in any of the following circumstances shall be identified by the Customs administration as a discredited enterprise:

1. Committing the crime of smuggling or conducting an act of smuggling;
2. For an enterprise other than Customs brokerage services, the number of violations of Customs regulatory provisions within one year exceeding 0.1% of the total number of the declaration forms, entry-exit filing lists, and other relevant documentations of the previous year and subject to administrative sanctions amounted to more than RMB100,000 for more than twice or of more than RMB1 million accumulatively.

For a Customs brokerage service, the number of violations of customs regulatory provisions within one year exceeding 0.05% of the total number of the declaration forms and entry-exit filing lists of the previous year and subject to administrative sanctions amounted to more than RMB100,000 accumulatively.

3. In arrears with payable taxes and penalties and/or confiscated illegal gains due;
4. Declaration error rate of the previous quarter one time above the average declaration error rate across the country of the same period;
5. Upon site investigation, registration information proved to be false and inability to contact the enterprise;
6. Suspended from Customs brokerage business by the Customs administration in accordance

with laws;

7. Suspected of smuggling or violating customs regulatory provisions and refusing to cooperate with the Customs administration in the investigation;

8. Fraudulently using the name of the Customs administration or other enterprises to seek illicit proceeds;

9. faking or forging credit information; or

10. Other circumstances determined by the Customs administration as a discredited enterprise.

Article 11 An enterprise falling in any of the following circumstances will be identified by the Customs administration as a general-credit enterprise:

1. An enterprise registered for the first time;

2. A certified enterprise that is no longer in compliance with the requirements of Article 9 hereof and does not fall in any of the circumstances set out in Article 10 hereof; or

3. An enterprise that has been identified as discredited for one full year and no longer falls in any of the circumstances set out in Article 10 hereof.

Article 12 Where an enterprise applies with the Customs administration for the status of a certified enterprise, the Customs administration shall authorize the enterprise pursuant to the Criteria of Certified Enterprises of the Customs Administration.

The Customs administration or the applicant enterprise may engage social intermediaries with statutory qualifications to authorize the enterprise, the result of which can serve as the reference and basis to determine the credit status of the enterprise if it is accepted by the Customs administration.

Article 13 The Customs administration shall draw certification conclusions within ninety (90) days of receipt of the written certification application of the enterprise. The term of customs certification can be extended for thirty (30) days under special circumstances.

Article 14 In the case of any of the following circumstances, the Customs administration shall terminate certification of an enterprise:

1. Detected or investigated by the Customs administration due to being suspected of smuggling or violating customs regulatory provisions;

2. Withdrawing the application on its own initiative; or

3. Other circumstances under which the certification shall be terminated.

Article 15 The Customs administration will adjust the result of determination of enterprises' credit status dynamically.

The Customs administration shall re-authorize the advanced certified enterprises every three (3) years and re-authorize the general certified enterprises on an irregular basis. Where it fails in the re-certification, a certified enterprise shall be granted the status of a general-credit enterprise, and cannot apply for certified enterprise status again within one year. Where it fails in the re-certification but meets the criteria of general certified enterprises, an advanced certified enterprise shall be granted the status of a general certified enterprise.

Where an enterprise has been identified as a discredited enterprise for one full year and no longer falls in any of the circumstances set out in Article 10 hereof, the Customs administration shall adjust its status and manage it as a general-credit enterprise.

A discredited enterprise that has been adjusted to be a general-credit enterprise for one (1) full year may apply with the Customs administration for certified enterprise status.

Chapter IV Management Principles and Measures

Article 16 The following management principles and measures shall apply to general certified enterprises:

1. Relatively low inspection rate of import and export goods;
2. Simplified examination of documentations of import and export goods;
3. Priority in processing import and export clearance formalities; and
4. Other management principles and measures prescribed by the General Administration of Customs.

Article 17 In addition to the management principles and measures applicable to general certified enterprises, the following management measures shall also apply to advanced certified enterprises:

1. Advanced certified enterprises can go through inspection and release formalities before the commodity classification, customs valuation and origin of the import and export goods are determined or other customs formalities are fulfilled;
 2. Coordinators for such enterprises are offered by the Customs administration;
 3. Enterprises engaged in processing trade are not subject to the customs duty deposit system;
- and

4. Clearance facilitation measures are offered by the Customs administrations of foreign countries or regions covered by mutual recognition of AEOs.

Article 18 The following management principles and measures shall apply to discredited enterprises:

1. Relatively high inspection rate of import and export goods;
2. Focus of document examination for import and export goods;
3. Highlighted supervision over processing trade and other links; and
4. Other management principles and measures prescribed by the General Administration of Customs.

Article 19 The management measures applicable to advanced certified enterprises shall be superior to those applicable to general certified enterprises.

Where there is a conflict in the applicable management measures due to the different results of determination of the enterprise's credit status, the Customs administration shall apply the management measures pursuant to inferior principles.

Where a certified enterprise is suspected of engaging in smuggling and is thus looked into or investigated, the Customs administration will suspend the applicability of corresponding management measures and treat the same as a general-credit enterprise.

Article 20 Where the name or customs registration code of an enterprise is changed, the determination result of the credit status of the enterprise by the Customs administration and the corresponding management measures shall continue to apply.

Where an enterprise is under any of the following circumstances, adjustments shall be made pursuant to the following principles:

1. In the case of split-off of an enterprise, where the survived enterprise succeeds the major rights and obligations of the predecessor enterprise, the result of credit status of the predecessor enterprise determined by the Customs administration and the corresponding management measures shall apply to the survived enterprise, and other divided enterprises shall be deemed as enterprises registered for the first time;
2. In the case of split-up of an enterprise, the divided enterprises shall be deemed as enterprises registered for the first time;
3. In the case of merger, the result of credit status of the survived enterprise determined by the Customs administration and the corresponding management measures shall apply to the merged

enterprise; and

4. In the case of consolidation, the consolidated enterprise shall be deemed as an enterprise registered for the first time.

Chapter V Supplementary Provisions

Article 21 The crime of smuggling based on which the credit status of an enterprise is determined shall be subject to the effective date of the criminal sentence paper.

The acts of smuggling and violations of customs regulatory provisions based on which the credit status of an enterprise is determined shall be subject to the date on which the administrative sanction decision is rendered by the Customs administration.

Article 22 The meanings of the following terms in these Measures:

“Amount of administrative sanctions” refers to the sum of penalties imposed by Customs administration and the amount of illegal gains and/or the value of the goods and articles confiscated by the Customs administration due to violations of customs regulatory provisions.

“In arrears with taxes payable” refers to the failure to pay, over three months upon the due date, the sum of payable tariffs and other taxes levied by the Customs administration on other agencies’ behalf for import and export goods and articles during importation and exportation, including the taxes payable in addition to the penalties imposed by the Customs administration upon determination of a violation of the customs regulatory provisions.

“In arrears with penalties and/or confiscated illegal gains due” refers to the failure to pay the penalties imposed by and illegal gains confiscated by and the amount equivalent to the value of the smuggled goods and articles pursued by the Customs administration, over three months upon the expiry date set out in the administrative sanction decision of the Customs administration.

“One year” refers to twelve (12) consecutive months.

“Year” refers to a calendar year.

“Above” and “below” shall include the given figure.

“Authorized Economic Operator” (“AEO”) is an enterprise involved in the international movement of goods in whatever function, conforming to the conditions set out herein and the Criteria of Certified Enterprises of the Customs Administration, and certified by the Customs administration.

Article 23 The General Administration of Customs shall be responsible for the interpretation

to these Measures.

Article 24 These Measures shall come into effect on December 1, 2014. The *Measures of the General Administration of Customs of the People's Republic of China on Classified Management of Enterprises* promulgated as Decree No. 197 of the General Administration of Customs on November 15, 2010 shall be repealed simultaneously.

II. Bulletin No. 75 of GACC 2014

Bulletin of the General Administration of Customs of the People's Republic of China

No.75, 2014

The legal documents which are involved in the implementation of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management (Decree No. 225 of GACC) are hereby promulgated, effective as of December 1st, 2014, and Bulletin No. 78 of General Administration of Customs shall be cancelled simultaneously.

Annexes:

1. Annex 1: Application for the Status of Certified Enterprises
2. Annex 2: Decision Not to Grant the Status of Certified Enterprises
3. Annex 3: Decision to Terminate Enterprise Certification
4. Annex 4: Notice of Rectification
5. Annex 5: AEO Certificate of Customs Administration of the PRC
6. Annex 6: Decision of Determination of Credit Status
7. Annex 7: Receipt of the Application for the Status of Certified Enterprises

Annex 1:

Application for the Status of Certified Enterprises

Company Name			
Customs Registration No.			
Status to Be Applied	<input type="checkbox"/> Advanced	<input type="checkbox"/> General	
Business Type	<input type="checkbox"/> Customs Brokerage Service	<input type="checkbox"/> Others	
Contact Person		Telephone	
<p>Customs :</p> <p>In accordance with the provision of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management, having conducted the self-assessment against the Criteria of Certified Enterprises of Customs Administration, and now deeming that we meet the criteria of <input type="checkbox"/>General Certified Enterprise <input type="checkbox"/>Advanced Certified Enterprise, we hereby apply with you for the status of a certified enterprise.</p> <p>We know well and agree to comply with the Interim Measures and other relevant Customs regulations. We guarantee that the application files submitted are true, complete and valid, keep relevant documents and materials for audit and are prepared to accept Customs audit for certification.</p> <p>Encl.: Self-Assessment Report prepared according to Criteria of Certified Enterprise of Customs administration</p> <p style="text-align: center;">Applicant Company (Stamp)</p> <p style="text-align: center;">Date: M/D/Y</p>			

Annex 2:

XX Customs of the People's Republic of China
Decision Not to Grant the Status of Certified Enterprises

No.:

Company Name:

Customs Registration No.:

We have received your application for the status of General Certified Enterprise Advanced Certified Enterprise on _____M _____D_____Y. Upon auditing, we find that you do not meet the Criteria of Certified Enterprises of Customs Administration due to the following circumstance:

(Factual Description)

Pursuant to the provisions of Clause 1, Article 9 of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management, we thus decide not to grant you the status of General Certified Enterprise Advanced Certified Enterprise.

If you do not agree with the decision, you may apply for administrative review within 60 days of receipt of this Decision, or appeal to _____ People's Court within three months of receipt of this Decision in accordance with the provisions of Article 9 and Article 20 of the Administrative Review Law of the People's Republic of China or the provisions of Article 39 of the Administrative Procedure Law of the People's Republic of China. During the period of the administrative review or proceedings, this Decision shall remain effective in execution.

Stamp

M/D/Y

Annex 3:

**XX Customs of the People's Republic of China
Decision to Terminate Certification**

No.:

Company Name:

Customs Registration No.:

During the process of certification, we find that you have the following circumstance:

(Factual Description for Terminating the Certification)

Pursuant to the provisions of Article 14 of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management, we have decided to terminate the certification of your company.

If you do not agree with the decision, you may apply for administrative review within 60 days of receipt of this Decision, or appeal to _____ People's Court within three months of receipt of this Decision in accordance with the provisions of Article 9 and Article 20 of the Administrative Review Law of the People's Republic of China or the provisions of Article 39 of the Administrative Procedure Law of the People's Republic of China. During the period of the administrative review or proceedings, this Decision shall remain effective in execution.

Stamp

M/DY

Annex:4

XX Customs of the People's Republic of China

Notice of Rectification

No.:

Company Name:

Customs Registration No.:

Pursuant to the provisions of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management and Criteria of Certified Enterprise of Customs Administration, we find that you have the circumstance to be rectified.

You are thus required to make the following rectification:

(What to be rectified and time limit)

Stamp

M/DY

Annex 5:

证 书 编 号:

CERTIFICATE NO.(AEO 标识)

认证企业证书

AEO CERTIFICATE

认证企业名称:

AEO NAME:

认证企业编号:

AEO CODE:

认证企业等级:

AEO TYPE:

认证日期:

DATE OF CERTIFICATION:

发证机关: (盖章)

ISSUING AUTHORITY:

发证日期:

DATE OF ISSUE:

Annex 6:

XX Customs of the People's Republic of China
Decision of Determination of Credit Status

No.:

Company Name:

Customs Registration No.:

You were granted as the status of Advanced Certified Enterprise General Certified Enterprise General-Credit Enterprise Discredited enterprise. But we find that you fall into the following circumstance:

(Factual Description)

Pursuant to the provisions of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management, we now thus decide to determine your credit status as General Certified Enterprise General Credit Enterprise Discredited enterprise.

If you do not agree with the decision, you may apply for administrative review within 60 days of receipt of this Decision, or appeal to _____ People's Court within three months of receipt of this Decision in accordance with the provisions of Article 9 and Article 20 of the Administrative Review Law of the People's Republic of China or the provisions of Article 39 of the Administrative Procedure Law of the People's Republic of China. During the period of the administrative review or proceedings, this Decision shall remain effective in execution.

Stamp

M/DY

Annex 7:

XX Customs of the People's Republic of China
Receipt of the Application for the Status of Certified
Enterprises

No.:

Company No.:

Customs Registration No.:

We have received your application for the status of General Certified Enterprise Advanced Certified Enterprise on _____M _____D _____Y. Upon examination, we find that the documents you presented are complete and conform to the mandatory format. Pursuant to the provisions of Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management, we hereby accept your application.

Stamp

M/D/Y

III. Bulletin No. 81 of GACC, 2014

Bulletin of the General Administration of Customs of the People's

Republic of China

No. 81, 2014/11/26

Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management (Decree No. 225 of GACC, hereinafter referred to as Measures for Credit) promulgated to the public on Oct. 8th, 2014 shall come into effect on December 1st, 2014. Hence the following decisions are announced hereby:

1. As of December 1st, 2014, the enterprises of Class AA, Class A and Class B determined pursuant to Measures of the General Administration of Customs of the People's Republic of China on Classified Management of Enterprises (Decree No. 197 of GACC) shall turn into respectively advanced certified enterprise, general certified enterprise and general-credit enterprise. The credit status of the enterprises of Class C and D will be re-determined by Customs administrations according to Measures for Credit.

Where the credit status of the enterprises of Class C and D are re-determined as discredited enterprises, the term of the credit status of such enterprises is still subject to the original term of the credit status of Class C and D.

The certified enterprises may apply to Customs administrations, with the decision paper of Class AA or A, for replacing the original certificate with AEO Certificate.

2. In light of the Enterprise Credit Information (see the annex), Customs administrations will publicly disclose the credit information of those enterprises registered with Customs administration through the Platform of Enterprises' Import and Export Credit Information of China Customs (<http://credit.customs.gov.cn>).

3. Those citizens or legal or other entities that raise objection to the credit information disclosed by Customs administrations should provide written statement or evidences.

Where the objection is raised by citizens, the documents submitted shall be signed and the original identity card of those citizens shall also be verified by Customs administrations; where the objection is raised by legal or other entities, the documents shall be stamped with the seal of those entities.

4. Where the credit status of a certified enterprise is adjusted, the original AEO Certificate should be returned to the Customs administration. Where it is not returned, the original certificate shall be invalidated by the Customs administration through public announcement.

Under the circumstance of losing the AEO Certificate, the certified enterprise may apply for a new certificate to the Customs administration which issued the original certificate, and the lost certificate shall be nullified by the Customs administration through public announcement.

5. During the process of determining the credit status, where the enterprise may make necessary rectification to meet the criteria according to relevant provisions, Customs shall allow such rectification. The time limit of rectification shall be decided by the Customs administration, and shall not exceed a maximum of 90 days. The period of time for rectification by the enterprise shall not be calculated into the time of certification.

6. “Within one year” indicated in Measures for Credit and Criteria of Certified Enterprises of the Customs Administration shall be counted as follows according to the adjustment of the credit status of an enterprise:

Where the credit status is upgraded to a certified enterprise, it refers to the past consecutive 12 months from the date when the Customs administration accepts the application; where the credit status is downgraded, it refers to the past consecutive 12 months from the date when the last decision of Customs administrative sanction is rendered.

This bulletin shall come into effect as of December 1st, 2014.

Annex: Enterprise Credit Information

General Administration of Customs
Nov. 18, 2014

IV. Bulletin No. 82 of GACC, 2014

Bulletin of the General Administration of Customs of People's Republic
of China
No. 82, 2014

Criteria of Certified Enterprises of Customs Administration which support Interim Measures of the General Administration of Customs of the People's Republic of China for Enterprise Credit Management (Decree No. 225 of GACC) are hereby promulgated, effective as of December 1st, 2014.

Annexes:

1. Criteria of Certified Enterprises of Customs Administration (Advanced Certified Enterprise)
2. Criteria of Certified Enterprises of Customs Administration (General Certified Enterprise)

General Administration of Customs
Nov. 18, 2014

Annex 1: Criteria of Certified Enterprises of Customs Administration (Advanced Certified Enterprise)

INSTRUCTIONS

I. Categories of certification criteria

The certification criteria are categorized into 5 types: internal control, financial status, compliance, trade security and bonus criteria, consisting of totally 18 categories and 32 items. The first four types are basic criteria, and the fifth is bonus criteria.

II. Scoring Rules

1. Scoring rules for basic criteria

There are two sets of scoring rules. One includes YES and NO, which are scored “0” and “-2” respectively. The other includes YES, BASICALLY YES and NO, which are scored “0”, “-1” and “-2” respectively.

YES means that a company meets the criterion and its sub criteria which are marked as (i), (ii) and (iii).

BASICALLY YES means that a company basically met the criterion and its sub-criteria which are marked by (i), (ii) and (iii).

NO means that a company does not meet the criterion. Where the criteria do not apply to a company of certain business type, Customs administrations will not score the company on such criteria.

2. Scoring rules for bonus criteria

The bonus criteria are assessed as “YES” or “NOT APPLICABLE (N/A)”, which is scored “2” or “0” respectively. The maximum score of bonus criteria is “2” which shall not be accumulated.

III. Conditions for passing certification

A company must meet the following two conditions simultaneously in order to pass the certification upon Customs determination:

1. All the scoring items are met without NO.
2. The total score is no less than 95.

Total Score = 100 + (Sum of Scores from Scoring Items).

IV. Self-assessment for certification

Before applying for the status of a certified enterprise, a business must conduct a self-assessment based on these Criteria, which should be submitted to Customs together with the application form.

V. Rectification

Where any of the criteria except those of No. 12, 13, 14, 15, 17, 22 and 23 hereof is assessed as NO or BASICALLY YES, the applicant is allowed to make rectification within a time limit (no more than 90 days) determined by Customs administrations, which shall then determine if the business can pass the certification after the rectification.

Criteria of Certified Enterprises/AEO (Advanced Certification)

Criteria			Results and Scores			
I. Internal Control			YES 0	BASICALLY YES -1	NO -2	N/A -
A. Structure Control	1. Internal Structure	i. There are distinct divisions of duties of import/export, financial, internal supervision and other offices.				
		ii. A senior manager is designated to be in charge of Customs affairs and written or electronic archives of certification are in place.				
	2. Training on Customs Affairs	i. Procedures are in place to provide internal training on Customs rules and regulations.				
		ii. Internal trainings on Customs laws and regulations are offered, at least once a year , to the legal representative/entrusted personnel and the senior manager in charge of Customs affairs, to update their knowledge about the latest Customs policies in time.				

B. Import/Export Business Control	3. Documentation Control	<p>A system or procedure is in place to review import/export documentations and correct possible errors.</p> <p>Consignees and Consignors: Before declaration or entrusted declaration, there is a special office or staff to examine the authenticity, accuracy and completeness the information of the price, classification, origin, quantity, description and specifications indicated in the import or export documentations.</p> <p>Customs Brokerage Services: Before declaration to the Customs, there is a special office or staff to examine the authenticity, completeness and validity of permits, commercial documents, import/export documentations.</p> <p>Logistic Companies: Before Customs declaration, there is a special office or staff to examine the accuracy and consistency of the information declared for the entry or exit of the means of conveyance and the logistic information of manifests/related electronic data and transit declaration form(cargo list).</p>				
	4. Documentation Keeping	i. The import/export documents management system is in place according to the requirements of the Customs, to ensure the timeliness, completeness, accuracy and security of import and export paper and electronic declaration forms and logistic archives.				
		ii. The Customs declaration stamps, Customs permits and legal documents are properly kept.				
5. Import and Export Activities	Import and export management procedures are well-designed and complete, and the flow of cargos, documentations and information is under effective control. No violation of Customs rules and regulations is discovered after sampling check.					
C. Internal Audit	6. Internal audit System	i. There is a special internal audit department or post, or an external auditor is employed to independently carry out internal audit on import and export operations.				

Control		ii. Internal audit is conducted at least once a year, and paper or electronic archives of internal audit are in place.				
	7. Accountability	i. Accountability system or measures are in place to deal with the problems or illegal conducts discovered in import and export.				
		ii. Accountability system or measures are in place to pursue the liability of the staff and Customs brokers in such illegal acts as declaration in private for the goods of another party, seeking profit in the name of Customs and offering bribery to Customs officials.				
	8. Rectification Mechanism	i. The rectification system or measures are in place.				
ii. The rectifications required by Customs is directly conducted by the senior manager in charge of Customs affairs						
D. IT System Control	9. Information System	There are information systems which faithfully, accurately, completely and effectively records the production, operation, import/export or Customs brokerage activities, and in particular the modules of financial control , Customs affairs and logistic control are functioning effectively.				
	10. Data Management	i. The data on production, operation and import/export activities are input into the system in time and accurately and completely. The data in the system are kept for at least 3 years from the day of completing Customs procedures.				
		ii. Such main links as importation/exportation or Customs declaration can be retrieved and tracked in the system.				
11. Information Security	i. The management system of information security is in place to protect the security of the information system, and relevant trainings are offered to employees.					

		ii. There is a special procedure or system in place to identify the abnormal uses of IT system, including illegal access to IT system and tampering or altering of business data, which are then traced strictly in accountability. The IT system needs special accounts and passwords for access, and the passwords are altered periodically.				
		iii. There are special procedures or systems in place to protect the data and IT system and there are data recovery, back-up and other means to prevent the loss of data. Antivirus and firewall technologies are also applied.				
II. Financial Status						
E. Financial Status	12. Accounting Information	i. Accounting books and financial reports provide true, accurate and complete records and properly reflect the import/export activities. Bookkeeping is timely and proper.				
		ii. For the application for Customs certification, an auditing report by an accounting firm for the current year is submitted, and the financial status reflected by the auditing report is true, complete, proper and legal. Once certified as an advanced certified enterprise, the business is audited by an accounting firm each year, and the financial status reflected by the auditing report is true, complete, proper and legal.				
	13. Financial Solvency	i. The quick ratio of finance is in a safe or normal range.				
		ii. The asset - liability ratio is in a safe or normal range.				
	14. Profitability	The profit margin of the main business is in a safe or normal range.				
15. Ability to Pay Taxes	Manufacturing consignees and consignors: The net fixed assets by the end of last month is no less than the highest amount of tax paid to Customs in the past 3 years. Non-manufacturing consignees and consignors: The operational net cash flow in the previous year is not in red.	YES 0	NO -2	N/A —		
III. Compliance						

F. Compliance with Laws and Regulations	16. Staff Violation	The legal representative (person in charge), senior manager in charge of Customs affairs and chief financial officer have no intentional violation for 2 consecutive years.			
	17. Corporate violation	i. There has been no smuggling crime or act for 2 consecutive years.			
		ii. Companies other than Customs brokerage services: There is no violation of Customs regulatory provisions with a fine over RMB30,000 Customs brokerage services: There is no violation of Customs regulatory provisions with a fine over RMB10, 000 .			
		iii. Companies other than Customs brokerage services: Accumulative fines for violating Customs rules and regulations amount to less than RMB50,000 with the total number of violation less than 5 in the recent year, or even though the total number of violation exceeds 5, the number is less than 0.1% of the total number of the company's import and export documents including declaration form, entry or exit filing list, declaration of means of transport, manifests and related e-data, transit permit form (cargo lists) in the previous year. (excluding the violations in which the company is warned and imposed a fine less than RMB30,000 after it has discovered the violation through its own audit and self-disclose to the Customs administration). Customs brokerage services: The number of violations in the recent year is no more than 0.01% of the total number of declaration forms and import and export filing lists, with a total fine of no more than RMB30,000 in the previous year. (excluding the violations in which the company is warned and imposed a fine less than RMB10,000 after it has discovered the violation through its own audit and self-disclose to the Customs administration).			

G. Regularity of Import and Export	18.Registration Information	<p>Customs brokerage services: The Annual Report of Customs Brokerage Services' Registration Information is submitted as required, and the information registered with Customs on the company and the Customs brokers is truthful.</p> <p>Other businesses: The information registered at Customs is truthful.</p>				
	19.Import/Export Record	There is or was import and export or service provided to import/export business in the current year or the previous year.				
	20.Regularity of Declaration (E-Data Transmission)	i.	<p>Customs brokerage services: The error rate of Customs declaration of each quarter is no higher than the national average for 4 consecutive quarters over the same period.</p> <p>Consignor and consignee: The error rate of Customs declaration or the declaration lodged by the entrusted Customs brokerage service of each quarter is no higher than the national average for consecutive quarters over the same period.</p> <p>Logistics enterprises: The error rate of the manifest and its related e-data transmission of each quarter is no more than the national average for 4 consecutive quarters over the same period, and the error rate of each quarter of the declaration of such logistic information as means of transport and transit permit form(cargo list) is no more than the national average for 4 consecutive quarters over the same period.</p>			
		ii.	The correct declaration rate of each quarter exceeds 90% for 2 consecutive quarters.			
iii.		Overdue write-off of the processing trade carnet happens no more than once in the previous year and from January to the previous month in the current year.				
21.Tax Payment	i.	The percentage of declaration forms with overdue tax payment is no more than 5% in the previous year and from January to the previous month in the current year.				

		ii. There is no overdue tax payment or unpaid penalties and confiscated gains by the period of certification.				
H. Customs Requirements Met	22.Management Requirements	i. There is no discovery of giving false information to or hiding vital truth from Customs, refusing or delaying to provide account books or documentations, intentionally removing, hiding, altering or destroying account books or documentations to avoid Custom auditing or evade tax, or refusing to cooperate with Customs in law enforcement or administration without legitimate reasons, for 2 consecutive years.				
		ii. The information submitted by the company is not found to hide truths or be falsified for 2 consecutive years.				
		iii. There is no discovery of gaining illegal profits in the name of Customs or other enterprises for 2 consecutive years.				
		iv. There is no discovery of offering bribes to Customs officers for 2 consecutive years.				
I. No Bad External Credit	23.External Credit	The business or its legal representative (person in charge), senior manager in charge of Customs affairs and finance are not found in the lists of abnormal businesses, discredited businesses or personnel or blacklists of companies and staffs by industrial and commercial, business, taxation, banking, foreign exchange and inspection and quarantine administrations, and public security bureaus, procuratorate and courts in the recent year.				
IV. Trade Security			YES 0	BASICA LLY YES -1	NO -2	N/A —

<p>J. Physical Security Controls Measures</p>	<p>24.Physical Security</p>	<p>There is written system and procedure in place to check and stop the non-indicated goods and uncertified persons from entering the premises, cargo handling and storage areas. Cargo handling and storage facilities have physical barriers and deterrents that guard against uncertified access.</p> <p>i. Gates: Gates through which vehicles and/or personnel enter or exit are manned.</p> <p>ii. Building Structure: Buildings are constructed in a way that resists unlawful break-in. The integrity of structures is maintained by periodic inspection and repair.</p> <p>iii. Lighting: Adequate lighting is provided on the premises including the following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas.</p> <p>iv. Alarm systems and video surveillance cameras: Alarm systems and video surveillance cameras should be installed to monitor following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas, to prevent uncertified access to cargo handling and storage areas.</p> <p>v. Storage areas: Cargo handling and storage areas as well as the areas to store import and export goods must have physical barriers and deterrents that guard against uncertified access.</p> <p>vi. Lockers and Key Control: All external and internal windows, gates and fences are secured with sufficient locking devices. Management or security personnel control the issuance of all locks and keys.</p>				
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<p>K. Physical Access Control Measures</p>	<p>25.Physical Access Security</p>	<p>The entry and exit of staffs and visitors are properly managed and there are written systems and procedures in place to protect company assets.</p> <p>i. Employees: An employee identification system is in place for positive identification and access control purposes. Company management or security personnel must adequately control the issuance and removal of employee and visitor identification badges(e.g. keys, key cards, etc.).Procedures for the issuance, removal and changing of access devices are documented.</p> <p>ii. Visitors: Visitors must present photo identification for documentation purposes upon arrival. All visitors should be escorted and should visibly display temporary identification.</p> <p>iii. Uncertified access and unidentified persons: Procedures are in place to identify, question and confirm uncertified access and unidentified persons. Employees must report in time every uncertified access of suspicious persons.</p>				
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<p>L. Personnel Security Measures</p>	<p>26. Personnel Security</p>	<p>Written system and procedures are in place to screen prospective employees and to periodically check current employees. Employee list ,which includes name, date of birth, ID number and position, should be provided dynamically</p> <p>i. Pre-Employment Verification: Application information, such as employment history and references is verified prior to employment.</p> <p>ii. Background Checks / Investigations: Background checks and investigations is conducted for prospective employees to see whether there is a criminal record or not. Once employed, periodic checks and reinvestigations are implemented on the basis the employee’s performance, and/or the sensitivity of the employee’s position.</p> <p>iii. Personnel Termination Procedures: There is a written system and procedures in place to remove identification and facilities for the terminated employee and ban him or her to get access to the premises and the information system.</p> <p>iv. Security Training: Routine training on the awareness of the supply chain security is provided to employees so that they are aware of the procedures the company has in place to address and report a situation.</p>				
<p>M. Security Control Measures for Business Partner</p>	<p>27. Business Partner Security</p>	<p>Written systems and procedures are in place to assess, require and check the supply chain security of business partners.</p> <p>i. Comprehensive Assessment: Written procedures should be in place to conduct a comprehensive assessment on the potential business partner, especially in the field of compliance and trade security according to these Criteria.</p> <p>ii. Paper Documents: Business partners are required, in the contract, agreement or other written documents, to improve the trade security management in light of these Criteria.</p> <p>iii. Monitor and Review: Procedures should be in place to periodically monitor or check the trade security status of the business partner.</p>				

<p>N. Cargo Security Control Measures</p>	<p>28.Cargo Security</p>	<p>There are measures or procedures in place to ensure the integrity and security of cargos in the process of transportation, movement and storage in the supply chain.</p> <p>i. Cargo movement: Goods arrived are consistent with the information indicated in the documentations and the weight, label and number of pieces and cartons of the goods are verified. The goods on board are verified against the purchase or delivery orders. There are such protective mechanisms as signatures or stamps in the key delivery process of the goods.</p> <p>ii. Cargo Discrepancies: There are systems and procedures in place to ensure that all more or less loading or other significant discrepancies or anomalies are reported or addressed with countermeasures.</p>				
<p>O. Container Security Control Measures</p>	<p>29.Container Security</p>	<p>There are measures and procedures in place to protect the integrity of containers from the uncertified mixing of cargos or the access of uncertified persons.</p> <p>i. Container check: Procedures must be in place to ensure the physical integrity and reliability of the container structure, including the reliability of the locking systems of the doors, with written records. A seven-spot inspection process is recommended, according to which a container is inspected according to the following sequential order: front wall, left side, right side, floor, ceiling/roof, inside/outside doors, outside/undercarriage.</p> <p>ii. Seals: A high security seal must be affixed to all loaded containers and trailers. All seals must meet or exceed the current PAS ISO 17712 standard for high security seals and kept and recorded by a special staff. Written procedures must stipulate how seals are to be affixed and inspected, as well as how to recognize and report compromised seals.</p> <p>iii. Containers storage: Containers must be stored in a secure area to prevent uncertified access and/or manipulation. Procedures must be in place for reporting and neutralizing uncertified entry into containers or container storage areas.</p>				

<p>P. Security Control Measures for Means of Transport</p>	<p>30.Security of Means of Transport</p>	<p>There are systems and procedures in place to ensure the integrity of means of transport (trailers) to guard against uncertified access of persons or goods. i. Check of means of transport: procedures should be in place to ensure the trailers be checked to guard against uncertified access. ii. Storage of Means of Transport: The means of transport is parked in a secure area to prevent uncertified access and/or tampering. Procedures are in place for reporting and neutralizing the uncertified access or tampering. iii. Drivers ID check: The driver who loads or receives cargos is positively identified before cargos are received or delivered.</p>				
<p>Q. Crisis Management Measures</p>	<p>31.Crisis Management</p>	<p>There are written systems and procedures in place to respond to disaster, security accident or other emergencies. i. Emergency Mechanism: There are emergency procedures or mechanism in place to report and cope with disaster, security accident or other emergencies. ii. Emergency Training: Emergency training is provided to employees. iii. Anomaly Report: Customs administrations or other appropriate enforcement agencies must be notified if disasters, emergent security accident or other anomalies, or illegal or suspicious activities are discovered.</p>				
<p>I. Bonus Criteria</p>			<p>YES 2</p>	<p>N/A 0</p>		

<p>R. Bonus Criteria</p>	<p>32. Bonus items</p>	<p>A bonus is granted upon the confirmation of Customs if one of the following circumstances is met:</p> <ul style="list-style-type: none"> i. Located in the area under special Customs control. ii. Engaged in one of the industries of IT, energy saving and environmental protection, new energy, high-end equipment manufacturing and new materials which are encouraged and supported by the State. iii. Awarded the prize of “Best Customs Agency” by China Customs Brokerage Association or other national trade associations. iv. Listed as a sample company in China’s export leading index(ELI) with response rate of questionnaires above 90% and matching rate of questionnaire and export growth rate above 0.3 in the past year; or listed as a sample company in the disposition survey of import goods or in other special statistical surveys with response rate of questionnaires and accuracy rate in review above 90% in the past year. v. Proactively cooperating with Customs in the initiative of business keeping the declaration documentations, with the timeliness and accuracy rate of document keeping of each quarter above the national average rate for 4 consecutive quarters. 		
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Annex 2: Criteria of Certified Enterprises of Customs Administration (General Certified Enterprise)

INSTRUCTION

I. Categories of certification criteria

The certification criteria are categorized into 5 types: internal control, financial status, compliance, trade security and bonus criteria, consisting of totally 18 categories and 29 items. The first four types are basic criteria, and the fifth is bonus criteria.

II. Scoring Rules

1. Scoring rules for basic criteria

There are two sets of scoring rules. One includes YES and NO, which are scored “0” and “-2” respectively. The other includes YES, BASICALLY YES and NO, which are scored “0”, “-1” and “-2” respectively.

YES means that a company meets the criterion and its sub-criteria which are marked as (i), (ii) and (iii).

BASICALLY YES means that a company basically met the criterion and its sub-criteria which are marked by (i), (ii) and (iii).

NO means that a company does not meet the criterion.

Where the criteria do not apply to a company of certain business type, Customs administrations will not score the company on such criteria.

The bonus criteria are assessed as “YES” or “NOT APPLICABLE (N/A)”, which is scored “2” or “0” respectively. The maximum score of bonus criteria is “2” which shall not be accumulated.

III. Conditions for passing certification

A company must meet the following two conditions simultaneously in order to pass the certification upon Customs determination:

1. All the scoring items are met without NO.
2. The total score is no less than 95.

Total Score = 100 + (Sum of Scores from Scoring Items).

IV. Self-assessment for certification

Before applying for the status of a certified enterprise, a business must conduct a self-assessment based on these Criteria, which should be submitted to Customs together with the application form.

V. Rectification

Where any of the criteria except those of No. 9, 10, 11, 12, 14, 19 and 20 hereof is assessed as NO or BASICALLY YES, the applicant is allowed to make rectification within a time limit (no more than 90 days) determined by Customs administrations, which shall then determine if the business can pass the certification after the rectification.

Criteria of Certified Enterprises/AEO (General Certification)

Criteria			Results and Scores			
I. Internal Control			YES 0	BASICA LLY YES -1	NO -2	N/A -
A. Structural Control	1. Internal Structure	A senior manager is designated to be in charge of Customs affairs and written or electronic archives of certification are in place.				
	2. Training on Customs Affairs	i. Procedures are in place to provide internal training on Customs rules and regulations. ii. Internal trainings on Customs laws and regulations are offered, at least once a year , to the legal representative/entrusted personnel and the senior manager in charge of Customs affairs, to update their knowledge about the latest Customs policies in time.				

B. Import/Export Business Control	3. Documentation Control	<p>A system or procedure is in place to review import/export documentations and correct possible errors.</p> <p>Consignees and Consignors: Before declaration or entrusted declaration, there is a special office or staff to examine the authenticity, accuracy and completeness the information of the price, classification, origin, quantity, description and specifications indicated in the import or export documentations.</p> <p>Customs Brokerage Services: Before declaration to the Customs, there is a special office or staff to examine the authenticity, completeness and validity of permits, commercial documents, import/export documentations.</p> <p>Logistic Companies: Before Customs declaration, there is a special office or staff to examine the accuracy and consistency of the information declared for the entry or exit of the means of conveyance and the logistic information of manifests/related electronic data and transit declaration form(cargo list).</p>				
	4. Documentation Keeping	i. The import/export documents management system is in place according to the requirements of the Customs, to ensure the timeliness, completeness, accuracy and security of import and export paper and electronic declaration forms and logistic archives.				
		ii. The Customs declaration stamps, Customs permits and legal documents are properly kept.				
C. Internal Audit Control	5. Internal Audit System	i. There is a special internal audit department or post, or an external auditor is employed to independently carry out internal audit on import and export operations.				
		ii. Internal audit is conducted at least once a year, and paper or electronic archives of internal audit are in place.				

	6. Accountability	<p>i. Accountability system or measures are in place to deal with the problems or illegal conducts discovered in import and export.</p> <p>ii. Accountability system or measures are in place to pursue the liability of the staff and Customs brokers in such illegal acts as declaration in private for the goods of another party, seeking profit in the name of Customs and offering bribery to Customs officials.</p>				
	7. Rectification Mechanism	<p>i. The rectification system or measures are in place.</p> <p>ii. The rectifications required by Customs is directly conducted by the senior manager in charge of Customs affairs</p>				
D. IT System Control	8. Information security	<p>i. The management system of information security is in place to protect the security of the information system, and relevant trainings are offered to employees.</p> <p>ii. There is a special procedure or system in place to identify the abnormal uses of IT system, including illegal access to IT system and tampering or altering of business data, which are then traced strictly in accountability. The IT system needs special accounts and passwords for access, and the passwords are altered periodically.</p> <p>iii. There are special procedures or systems in place to protect the data and IT system and there are data recovery, back-up and other means to prevent the loss of data. Antivirus and firewall technologies are also applied.</p>				
II. Financial Status						
E. Financial Status	9. Accounting Information	Accounting books and financial reports provide true, accurate and complete records and properly reflect the import/export activities. Bookkeeping is timely and proper.				
	10. Financial Solvency	<p>i. The quick ratio of finance is in a safe or normal range.</p> <p>ii. The asset - liability ratio is in a safe or normal range.</p>				

	11. Profitability	The profit margin of the main business is in a safe or normal range.			
	12. Ability to Pay Taxes	<p>Manufacturing consignees and consignors: The net fixed assets by the end of last month is no less than the highest amount of tax paid to Customs in the past 3 years.</p> <p>Non-manufacturing consignees and consignors: The operational net cash flow in the previous year is not in red.</p>	YES 0	NO -2	N/A -
III. Compliance					
F. Compliance with Laws and Regulations	13. Staff Violation	The legal representative (person in charge), senior manager in charge of Customs affairs and chief financial officer have no intentional violation for 2 consecutive years.			
	14. Corporate violation	<p>i. There has been no smuggling crime or act for 2 consecutive years.</p> <p>ii. Companies other than Customs brokerage services: There is no more than one violation of Customs regulatory provisions with a fine over RMB30,000 and below RMB100,000 in the recent year Customs brokerage services: There is no more than one violation of Customs regulatory provisions with a fine over RMB10,000 and below RMB30,000 in the recent year.</p>			

		<p>iii. Companies other than Customs brokerage services: Accumulative fines for violating Customs rules and regulations amount to less than RMB100,000 with the total number of violation less than 5 in the recent year, or even though the total number of violation exceeds 5, the number is less than 0.1% of the total number of the company's import and export documents including declaration form, entry or exit filing list, declaration of means of transport, manifests and related e-data, transit permit form (cargo lists) in the previous year. (excluding the violations in which the company is warned and imposed a fine less than RMB30,000 after it has discovered the violation through its own audit and self-disclose to the Customs administration). Customs brokerage services: The number of violations in the recent year is no more than 0.03% of the total number of declaration forms and import and export filing lists, with a total fine of no more than RMB50,000 in the previous year. (excluding the violations in which the company is warned and imposed a fine less than RMB10,000 after it has discovered the violation through its own audit and self-disclose to the Customs administration).</p>			
G. Regularity of Import and Export	15.Registration Information	<p>Customs brokerage services: The Annual Report of Customs Brokerage Services' Registration Information is submitted as required, and the information registered with Customs on the company and the Customs brokers is truthful. Other businesses: The information registered at Customs is truthful.</p>			
	16.Import/Export Record	There is or was import and export or service provided to import/export business in the current year or the previous year.			

	17.Regularity of Declaration (E-Data Transmission)	<p>i. Customs brokerage services: The error rate of Customs declaration of each quarter is no higher than the national average for 4 consecutive quarters over the same period. Consignor and consignee: The error rate of Customs declaration or the declaration lodged by the entrusted Customs brokerage service of each quarter is no higher than the national average for consecutive quarters over the same period. Logistics enterprises: The error rate of the manifest and its related e-data transmission of each quarter is no more than the national average for 4 consecutive quarters over the same period, and the error rate of each quarter of the declaration of such logistic information as means of transport and transit permit form(cargo list) is no more than the national average for 4 consecutive quarters over the same period.</p>			
		ii. The correct declaration rate of each quarter exceeds 85% for 2 consecutive quarters.			
		iii. Overdue write-off of the processing trade carnet happens no more than once in the previous year and from January to the previous month in the current year.			
	18.Tax Payment	i. The percentage of declaration forms with overdue tax payment is no more than 5% in the previous year and from January to the previous month in the current year.			
		ii. There is no overdue tax payment or unpaid penalties and confiscated gains by the period of certification.			

H. Compliance with Customs Requirements	19.Management Requirements	i. There is no discovery of giving false information to or hiding vital truth from Customs, refusing or delaying to provide account books or documentations, intentionally removing, hiding, altering or destroying account books or documentations to avoid Custom auditing or evade tax, or refusing to cooperate with Customs in law enforcement or administration without legitimate reasons, for 2 consecutive years.				
		ii. The information submitted by the company is not found to hide truths or be falsified for 2 consecutive years.				
		iii. There is no discovery of gaining illegal profits in the name of Customs or other enterprises for 2 consecutive years.				
		iv. There is no discovery of offering bribes to Customs officers for 2 consecutive years.				
I. No Bad External Credit	20.External Credit	The business or its legal representative (person in charge), senior manager in charge of Customs affairs and finance are not found in the lists of abnormal businesses, discredited businesses or personnel or blacklists of companies and staffs by industrial and commercial, business, taxation, banking, foreign exchange and inspection and quarantine administrations, and public security bureaus, procuratorate and courts in the recent year.				
IV. Safety			YES 0	BASIC ALLY YES -1	NO -2	N/A

<p>J. Physical Security Controls Measures</p>	<p>21.Physical Security</p>	<p>There is written system and procedure in place to check and stop the non-indicated goods and uncertified persons from entering the premises, cargo handling and storage areas. Cargo handling and storage facilities have physical barriers and deterrents that guard against uncertified access.</p> <p>i. Gates: Gates through which vehicles and/or personnel enter or exit are manned.</p> <p>ii. Building Structure: Buildings are constructed in a way that resists unlawful break-in. The integrity of structures is maintained by periodic inspection and repair.</p> <p>iii. Lockers and Key Control: All external and internal windows, gates and fences are secured with sufficient locking devices. Management or security personnel control the issuance of all locks and keys.</p>				
<p>K. Physical Access Control Measures</p>	<p>22.Physical Access Security</p>	<p>The entry and exit of staffs and visitors are properly managed and there are written systems and procedures in place to protect company assets.</p> <p>i. Employees: An employee identification system is in place for positive identification and access control purposes. Company management or security personnel must adequately control the issuance and removal of employee and visitor identification badges(e.g. keys, key cards, etc.).Procedures for the issuance, removal and changing of access devices must be documented.</p> <p>ii. Visitors: Visitors must present photo identification for documentation purposes upon arrival. All visitors should be escorted and should visibly display temporary identification.</p>				

<p>L. Personnel Security Measures</p>	<p>23. Personnel Security</p>	<p>Written system and procedures are in place to screen prospective employees and to periodically check current employees. Employee list, which includes name, date of birth, ID number and position, should be provided dynamically.</p> <p>i. Pre-Employment Verification: Application information, such as employment history and references is verified prior to employment.</p> <p>ii. Background Checks / Investigations: Background checks and investigations is conducted for prospective employees to see whether there is a criminal record or not. Once employed, periodic checks and reinvestigations are implemented on the basis the employee’s performance, and/or the sensitivity of the employee’s position.</p> <p>iii. Personnel Termination Procedures: There is a written system and procedures in place to remove identification and facilities for the terminated employee and ban him or her to get access to the premises and the information system.</p>				
<p>M. Security Control Measures for Business Partner</p>	<p>24. Business Partner Security</p>	<p>Written systems and procedures are in place to assess, require and check the supply chain security of business partners.</p> <p>Paper Documents: Business partners are required, in the contract, agreement or other written documents, to improve the trade security management in light of these Criteria.</p>				

<p>N. Cargo Security Control Measures</p>	<p>25.Cargo Security</p>	<p>There are measures or procedures in place to ensure the integrity and security of cargos in the process of transportation, movement and storage in the supply chain.</p> <p>i. Cargo movement: Goods arrived are consistent with the information indicated in the documentations and the weight, label and number of pieces and cartons of the goods are verified. The goods on board are verified against the purchase or delivery orders. There are such protective mechanisms as signatures or stamps in the key delivery process of the goods.</p> <p>ii. Cargo Discrepancies: There are systems and procedures in place to ensure that all more or less loading or other significant discrepancies or anomalies are reported or addressed with countermeasures.</p>				
<p>O. Container Security Control Measures</p>	<p>26.Container Security</p>	<p>There are measures and procedures in place to protect the integrity of containers from the uncertified mixing of cargos or the access of uncertified persons.</p> <p>Container check: Physical integrity and reliability of the container structure are checked with written records before loading, including the reliability of the locking system of its door.</p>				

<p>P. Security Control Measures for Means of Transport</p>	<p>27.Security of Means of Transport</p>	<p>There are systems and procedures in place to ensure the integrity of means of transport (trailers) to guard against uncertified access of persons or goods. i. Storage of Means of Transport: The means of transport is parked in a secure area to prevent uncertified access and/or tampering. Procedures are in place for reporting and coping with the uncertified access or tampering. ii. Drivers ID check: The driver who loads or receives cargos is positively identified before cargos are received or delivered.</p>				
<p>Q. Crisis Management Measures</p>	<p>28.Crisis Management</p>	<p>There are written system and procedures in place to respond to disaster, security accident or other emergencies. Emergency Mechanism: There are emergency procedures or mechanism in place to report and cope with disaster, security accident or other emergencies.</p>				
<p>I. Bonus Criteria</p>			<p>YES 2</p>	<p>N/A 0</p>		

<p>R. Bonus Criteria</p>	<p>29.Bonus Items</p>	<p>A bonus is granted upon the confirmation of Customs if one of the following circumstances is met:</p> <ul style="list-style-type: none"> i. Located in the area under special Customs control. ii. Engaged in one of the industries of IT, energy saving and environmental protection, new energy, high-end equipment manufacturing and new materials which are encouraged and supported by the State. iii. Awarded the prize of “Best Customs Agency” by China Customs Brokerage Association or other national trade associations. iv. Listed as a sample company in China’s export leading index(ELI) with response rate of questionnaires above 90% and matching rate of questionnaire and export growth rate above 0.3 in the past year; or listed as a sample company in the disposition survey of import goods or in other special statistical surveys with response rate of questionnaires and accuracy rate in review above 90% in the past year. v. Proactively cooperating with Customs in the initiative of business keeping the declaration documentations, with the timeliness and accuracy rate of document keeping of each quarter above the national average rate for 4 consecutive quarters. 		
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V. Figures

Figure 1: Documents for Application

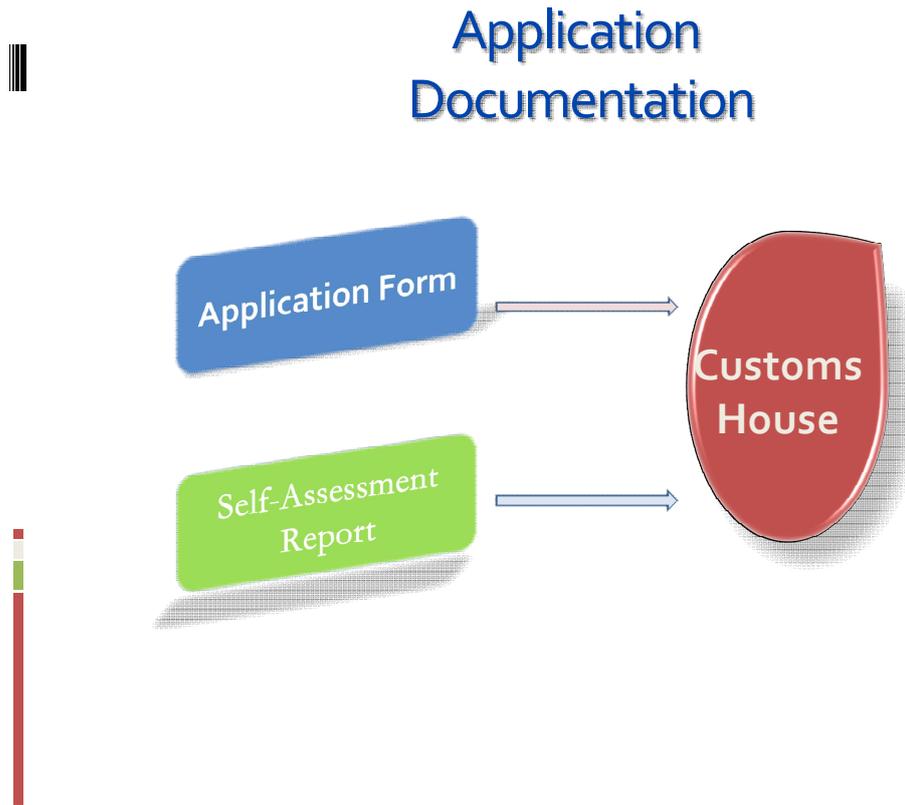


Figure 2: Certification Procedure

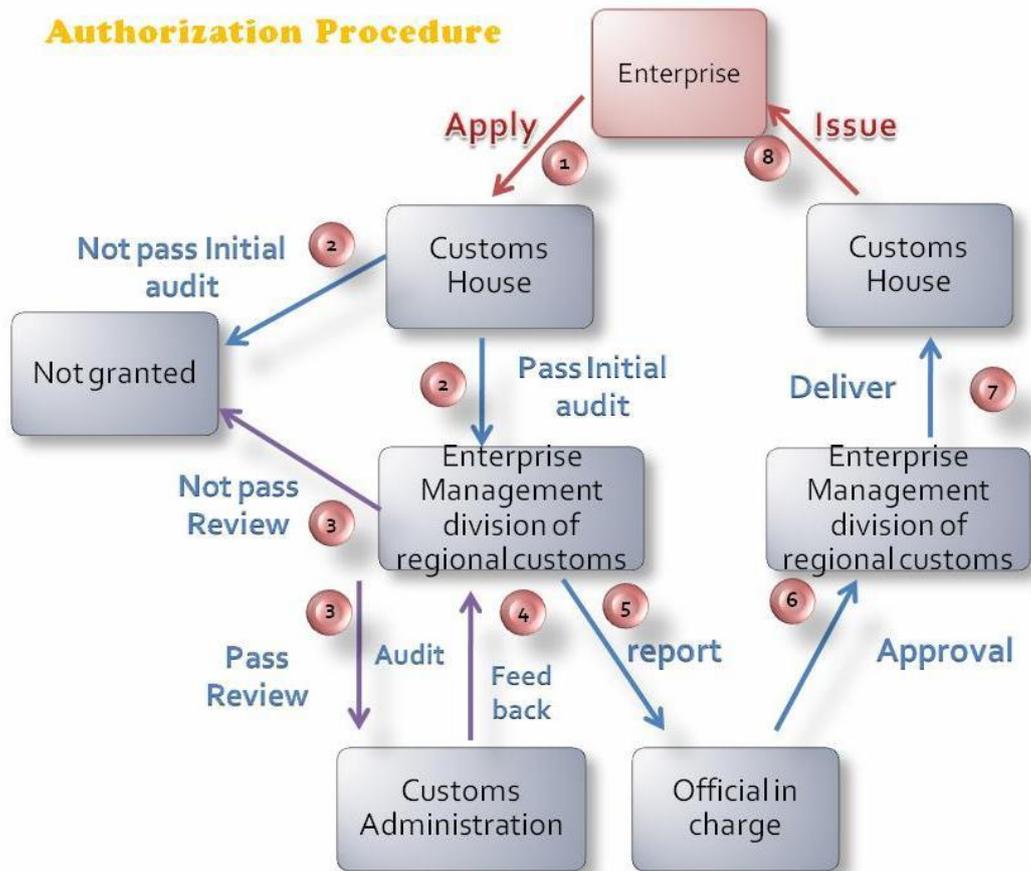


Figure 3: Certification Termination

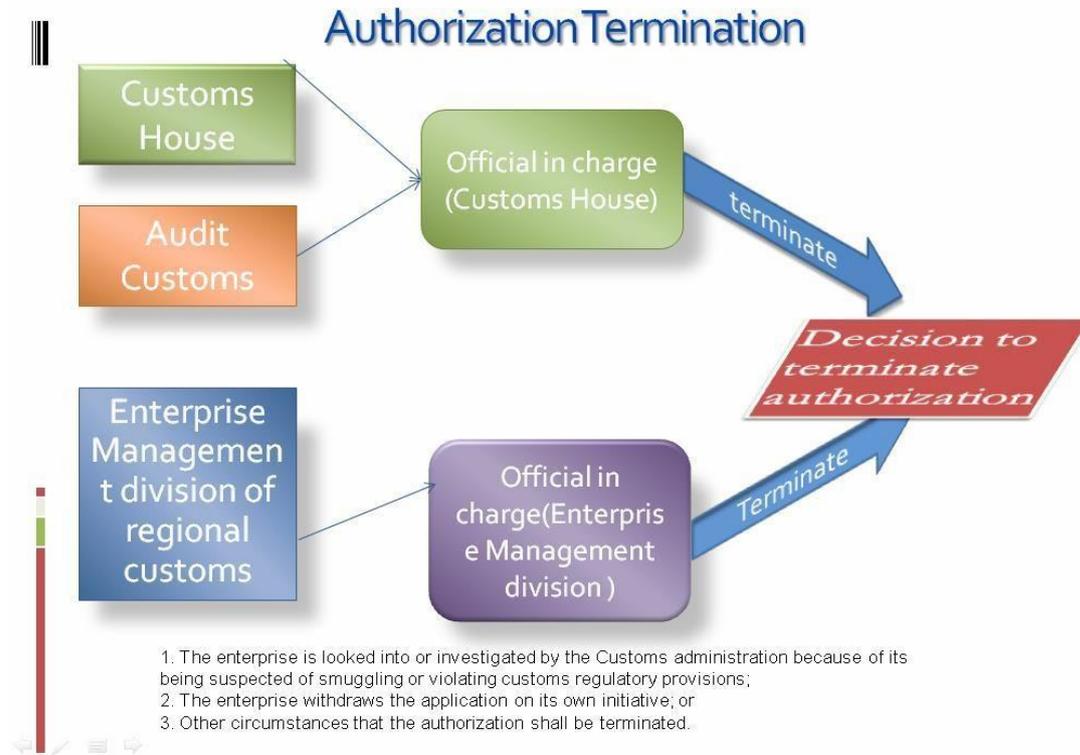


Figure 4: Decision Process

