



## Prologue

The 18th National Congress of the Communist Party of China (CPC) and the 3rd Plenary Session of the 18th CPC Central Committee both put forward express requirements in the establishment of the social credit system, to vigorously press ahead the institutional construction of “government credit, business credit and judicial public trust”. Meanwhile, in the Outline of the Development Plan of the Social Credit System 2014-2020 released by the State Council this year, it is expressly indicated that “Customs administration, industrial and commercial administration, taxation administration, quality inspection and quarantine administration, intellectual property office and other authorities should deepen the application of credit information and products in the process of market supervision and public service, and provide those honest and trustworthy businesses with such “green channel” incentives as priority in going through formalities and simplified procedure”.

On Oct. 8, 2014, the General Administration of Customs formulated 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 IMECM) as well as relevant supplementary measures thereof, which came into force on Dec. 1, 2014.

On the one hand, IMECM fully reflects the general requirements of establishing the social credit system. In the principle of “facilitating those that act in good faith and in compliance with laws and penalizing those that lose credit and go against laws”, IMECM specifies, in a scientific, fair and impartial way, the criteria and management measures for certified enterprises, general-credit enterprises and discredited enterprises, according to enterprises’ operation, management, internal control, compliance and other objective indicators which can reflect the credit status of enterprises. The certified enterprise will enjoy the clearance facilitation granted by Customs administration, while the discredited enterprise will be subject to strict Customs control. On the other hand, IMECM absorbs the advanced philosophy of the Authorized Economic Operator (AEO) advocated in the WCO Framework of Standards to Secure and Facilitate Global Trade, and specifically provides that “certified enterprises” are AEOs of China Customs, which are eligible for the preferential treatment and clearance facilitation granted by China Customs and its foreign counterparts with mutual recognition.

The implementation of IMECM symbolizes the basic establishment of enterprise credit management system in Customs administrations and thus lays a cornerstone in building the national social credit system.