**Shanghai Municipal Commission of Commerce**

**Shanghai Customs**

**Shanghai Municipal Development and Reform Commission**

**Document**

**Shanghai Municipal Transportation Commission**

**Shanghai Municipal Finance Bureau**

**Shanghai Municipal Market Supervision Administration**

**Shanghai Municipal Tax Service, State Taxation Administration**

No. 16〔2020〕of Shanghai Municipal Commission of Commerce on Free Trade

## Circular on Several Measures for Further Deepening the Reform of Business Environment for Cross-border Trade at Shanghai’s Ports

All relevant entities of Shanghai’s ports,

For the purposes of thoroughly implementing the guidelines of the State Council as set forth in the *Work Plan for Optimizing Port Business Environment to Enhance Cross-border Trade Facilitation* (No. 37 [2018] of the State Council)and the CPC Shanghai Municipal Committee and Shanghai Municipal People’s Government *Circular on Issuing Shanghai’s Implementation Plan on Further Comprehensively Shaping the World-leading Business Environment*(No. 1〔2020〕of the General Office of CPC Shanghai Municipal Committee), and in order to accelerate the creation of a law-based, international and convenient port-related business environment and promote high-quality development of cross-border trade, Shanghai Municipal Commission of Commerce, Shanghai Customs, Shanghai Municipal Development and Reform Commission, Shanghai Municipal Transportation Commission, Shanghai Municipal Finance Bureau, Shanghai Municipal Market Supervision Administration and Shanghai Municipal Tax Service of State Taxation Administration jointly formulate the *Several Measures for Further Deepening the Reform of Business Environment for Cross-border Trade at Shanghai’s Ports*, which is hereby issued and shall be earnestly implemented by all entities concerned.

Hereby notify the above.

Shanghai Municipal Commission of Commerce

Shanghai Customs

Shanghai Municipal Development and Reform Commission

Shanghai Municipal Transportation Commission

Shanghai Municipal Finance Bureau

Shanghai Municipal Market Supervision Administration

Shanghai Municipal Tax Service, State Taxation Administration

January 21st, 2020

**Several Measures for Further Deepening the Reform of Business Environment for Cross-border Trade at Shanghai’s Ports**

For the purposes of thoroughly implementing the guidelines of the State Council as set forth in the *Work Plan for Optimizing Port Business Environment to Enhance Cross-border Trade Facilitation* (No. 37 [2018] of the State Council)and the CPC Shanghai Municipal Committee and Shanghai Municipal People’s Government *Circular on Issuing Shanghai’s Implementation Plan on Further Comprehensively Shaping the World-leading Business Environment*(No. 1〔2020〕of the General Office of CPC Shanghai Municipal Committee), the *Several Measures for Further Deepening the Reform of Business Environment for Cross-border Trade at Shanghai’s Ports is* formulated based on the previous 2020 Shanghai special actions to optimize business environment for cross-border trade already taken under the General Administration of Customs’ arrangement in a bid to promote cross-border trade facilitation.

1. **Further optimization of the ports’ “Clearance + Logistics” operation process**

**i. The "two-step declaration" customs clearance mode for imported goods will be promoted.** The “two-step declaration” mode for imported goods will be promoted while reserving the original declaration mode. Under the “two-step declaration” mode, the imported goods can be quickly picked up after the preliminary declaration gets approved by the customs with only 9 items to be filed and 2 logistics-related items confirmed. The full declaration would be completed afterwards within the prescribed time.

**ii. The** **pre-arrival declaration for exported goods will be applied in an extensive manner.** The pre-arrival declaration mode for exported goods will be applied to a wider range of companies with special focus put on Waigaoqiao Port Area. Under the pre-arrival declaration mode, customs declaration can be accepted within 3 days before the arrival of goods at the customs supervision site on the condition that the goods are ready, containers are loaded and the digital information of the pre-allocation manifest is received. Upon arrival, the goods will be released or inspected by the customs.

**iii. The pilot programs of “ship-side delivery of exported goods” and “ship-side pick-up of imported goods” will be carried out.** With the assurance of safety in port operations, the pilots of “ship-side delivery of exported goods” and “ship-side pick-up of imported goods” will be carried out among some specific products in an effort to speed up logistics and customs clearance.

**II. Further improvement of electronic processing through the whole process**

**iv. E-documents will be further promoted.** With the support of International Trade Single Window (hereinafter referred to as the Single Window), online processing will be applied to a wider range of regulatory documents and certificates. In accordance with the dedicated arrangements of the General Administration of Customs, reforms on electronic inspection and quarantine certificate will be exercised, where online application of inspection and quarantine certificate for imported goods will be piloted and gradually the certificate can be printed by companies.

**v. Procedures to handle shipping and logistics documents will be streamlined.** Paperless processing will be adopted on the Single Window platform for documents including Letter of Attorney for transferring Bill of Lading (hereinafter referred to as B/L) and Letter of Guarantee for Telex Release. Shipping companies are encouraged to adopt blockchain and other advanced technologies to realize electronic B/L. Pilot programs will be put into practice where export B/L will be signed, issued online and printed by companies on their own. Efforts will be made to streamline B/L to Delivery Order (D/O) handling formalities for imports. Electronic of receipts for terminal handling (including VAT invoice) will increase.

**vi. The application of "automatic auxiliary declaration system for auto parts" will be promoted.** The formalities of customs declaration for auto parts will be simplified by a wider use of "automatic auxiliary declaration system for automobile parts "on the Single Window platform, where an enterprise can get all elements automatically filled for customs declaration by a simple entry of the identification number of auto parts.

**vii. Electronic container release for imports and exports will be piloted.** Electronic container management systems of various shipping companies will be connected to Shanghai International Port Group’s e-EIR platform and Shanghai E-Port platform in a bid to simplify container release procedures. Electronic container release and round-the-clock service for container release will be experimented.

**viii. Intensive distribution of seals for containers will be promoted.** The efficiency of seals’ distribution will be improved. Shipping companies are encouraged to distribute seals at container yards or to cooperate with logistics platforms to achieve intensive distribution of seals by means of information technology.

**ix. Paperless port operations will be promoted.** To further improve on customer experience, E-D/O function has been launched at the Shanghai ports to optimize services and online platforms for paperless port operations. Also, the role of systems harmonization as well as data and information sharing will be promoted.

**III. Further optimization on customs supervision**

**x. The "mistake-tolerant mechanism" for enterprises will be optimized.** Non-subjective declaration errors and violations that are disclosed by enterprises on a voluntary basis shall be promptly dealt with under unified identification criteria. Once identified, such declaration errors are either not to be recorded, or, in accordance with the laws and regulations, resulting in reduced or zero punishment.

**xi. Customs inspection operations will be optimized.** Manual review for declarations will be reduced. The mechanism of randomly sampled inspections will be optimized and the overall inspection rate will be lowered. Centralized image recognition mode will be promoted and AI image recognition will be adopted for greater scope of products.

**xii. Enterprises’ presence for inspections will be optimized.** Whole-process video monitoring and recording system at inspection sites will be optimized, allowing enterprises to choose a preferred mode to be present in customs inspections, thus bringing convenience to enterprises.

**xiii. The upgrading of inspection platforms at the ports will be accelerated.** The development and upgrading of inspection platforms within the surveillance zone at seaports will be accelerated. Inspection sites and operating areas of various functions will be arranged in a standardized manner so as to further optimize the inspection environment at Shanghai’s ports.

**IV. Further regulation and reduction in port-related charges**

**xiv. Port-related charges will be further regulated.** Port operators will be guided towards further reduction of service charges by means of market-based mechanisms, price monitoring and setting of industry standards. Charges for quarantine treatments such as fumigation and disinfection will be further regulated. Supervision on unregulated charges at container yards and on unchecked charges for washing and repairing of containers will be intensified. Service fee chart mechanism at the ports will be improved and dynamically managed with reduced item.

**xv. The policy of refunding of local share of port construction fee to the payers will be implemented on the ground.** Enterprises can apply forport construction fee refund at the Single Window. In the same time, Shanghai municipality will request with line ministries and commissions at the central level for direct exemption of the local share of port construction fee upon payment.

**xvi. Shipping companies will be encouraged to adjust the structure of charges.** Through strengthened communication and coordination, shipping companies will be encouraged to adjust the items of charges and pricing standards to better reflect the practical operating costs, thus achieving optimization of sea freights structure.

**xvii. The function of charges inquiry at the Single Window will be enabled.** The Single Window will be connected with SIPG’s online platform to enable enterprises’ inquires at the Single Window about payment records concerning the port services, shipping agents, tally and inspections. "One-stop sunshine pricing" for port service charges will be published and promoted at the Single Window.

**V. Further improvement on the predictability of port services**

**xviii. The special windows for complicated declarations will be better utilized.** In addition to the existing 12360 customs service hotline and on-site customs clearance consultation windows, special windows for complicated declarations should play an active role in monitoring and processing various types of time-consuming customs declarations, answering difficult questions in time, keeping close contact with importers and exporters as well as collecting demands and recommendations, thereby improving customs clearance efficiency.

**xix. Detailed processing time limits for port operations will be published.** The processing time limit system for port operations should be strictly complied. Detailed time limits for operations such as loading and unloading, on-site transshipment, hoisting and shifting, unstuffing, restuffing and pick-ups should be set and published at the Single Window and on the sites where transparency is to be improved and enterprises can make reasonable anticipations.

Specific requirements and rules for implementation concerning the above-mentioned measures shall be announced separately by relevant government departments and units.