

Practice Areas of Leezhao--- Customs, Import and Export Trades

Practice Areas:

Among the clients of Leezhao, there are many large multinational enterprises, trade enterprises, logistic enterprises and manufacture enterprises. To meet the legal the clients' needs on international trade, entrepot trade, processing trade, and the international circulation, import and export, and transportation of products, raw material, parts, Leezhao devotes itself to the study and the application of rules and regulations of the foreign trade and customs of China, to provide professional instructive advice and legal service in this field.

The professional services hereof provided by Leezhao include:

1. Provide proper solutions and legal advice on the problems encountered by clients in the practices such as customs, import and export transaction, and goods classification during circulation, customs evaluation, country of origin, levy of tariffs, reduction and exemption of tax, protective tariffs, etc.
2. Carry out compliance reviews on the business operation of client in the fields of the import and export clearance management during foreign trade, inspection, international logistic and warehouse, bounded processing, and Customs' protection of IPRs. Provide practical and professional guidance on the import and export clearance management, and the supervision from Customs. Minimize the potential risk in the legal affairs of clients in foreign trade and customs, to achieve the legalization and compliance of the import and export clearance of the goods.
3. Regarding the cases of the Customs' inspection, administrative penalty of Customs, or anti-smuggling, communicate with functional authorities like Customs, inspection and quarantine administrations, commerce administration on behalf of the client. Scrutinize the facts and evidences of the case, the substance and procedure thereof, from a professional perspective, to legally protect legitimate rights, and help clients and related authorities to identify facts and to define liabilities, and to legally handle the issue and avoid or reduce the loss of clients to the minimum extent.
4. Routinely compile and provide professional legal newsletter on logistics by collecting and summarizing laws, regulations and policy information on customs, import and export, processing trade and logistics supervision for some international freight forwarders and logistics enterprises, to update clients with the latest professional information, and help clients grasp, understand relevant national and local regulations and policies.

Achievements (Typical Cases)

Achievements of Leezhao in Customs, Import and Export Trade

Leezhao has long provided legal services on customs, import and exports, international trades, international transportation of goods. In handling customs affairs, several partners and attorneys are capable of communicating, negotiating, and mediating with functional authorities, especially concerning custom investigation, inspection, and administrative penalty, which contributes to their extensive practical experience and good relationship with some Customs, commodity inspection departments, and commerce departments. Meanwhile, Leezhao also maintains a long partnership with several qualified, competent, creditable professional institutions (eg. Custom brokers, classification institutions of import and export commodities, quarantine organization of commodity, accrediting body, etc.), which enables Leezhao to provide the completely professional service.

Recent years, authorized by clients, some typical cases in handling customs, import and export affairs include:

Key Words	Some Typical Cases
Administrative penalty on the false or wrong declaration of classification of imported commodities	<p>One international trade enterprise has declared the imported mechanical parts to the competent Customs for several years. When examining the commodity classification of the goods, the Customs held that there was an error in tariff classification based on the instructions and classification of the goods provided by the enterprise. The examining department suspected the enterprise of false declaration and smuggling due to the large amount of tax involved in the evasion of tariff and VAT during import, so the case was transferred to the anti-smuggling department.</p> <p>Entrusted by clients, attorneys actively communicated with department of Customs in charge of import, export and clearance, as well as the anti-smuggling department of Customs, assisting clients to actively cooperate with the investigations of related import and export clearance department of Customs. Meanwhile, by collecting large amounts of evidences, Leezhao gave examples to illustrate, defend, explain, and demonstrate to the Customs from the perspectives of the subjectivity of the client, the objectivity of the behavior and the result on behalf of the client during the procedure of hearing and investigation. Through constant efforts and negotiation, Leezhao help the Customs to correct the identification of the facts, from the “suspicion of smuggling” at first to “false declaration” (negligence). Finally, by making up for taxes like tariffs upon the Customs’ request, the client was exempt from the administrative penalty, and losses of millions of Yuan were avoided.</p>

Key Words	Some Typical Cases
<p>Negotiation with Customs on the suspected smuggling arising out of the certificate of tax exemption related to “yin-yang contract”</p>	<p>When one foreign-invested enterprise imported machine tools equipments from its oversea parent enterprise, it was noted by the Customs of the importation port. The Customs suspected the enterprise of obtaining the certificate of tax exemption by using “yin-yang contract”, and forge the samples for examining/ the report from the third party/ the expertise report (the imported equipments actually did not meet the requirements of the exemption of tax). These were considered as defrauding in the exemption of tax in considerable amounts, which was suspected of smuggling. If it had been identified as smuggling, the administrative penalty of tens of millions of Yuan, or even severe criminal charges may be faced by the enterprise.</p> <p>Entrusted by the client, Leezhao investigated into and analyzed in details the facts of the case and employees responsible for it, contacted with a professional and authoritative accreditation agency to provide a survey report by identifying the key facts of this case, and assist the enterprise to negotiate with the Customs in charge. Based on the professional, authoritative survey report, Leezhao provided extraordinary analysis and professional opinions on the genuineness, legality, validity of the application documents, which reached a favorable result. Eventually, the risk of smuggling in this case was avoided successfully, and the administrative penalty of the enterprise was significantly reduced.</p> <p>Consequently, the lawyers proposed compliance and rectification advices tailored for the management problems exposed in this case on the import and export clearance, and assisted with the rectification to avoid a second occurrence of similar violations or incompliance.</p>
<p>Shut of bonded warehouse in China Pilot Free Trade Zone</p>	<p>When one Japan-invest enterprise withdrew from one Pilot Free Trade Zone, in order to shut the bonded warehouse, Leezhao assisted the enterprise to negotiate with the Customs thereof and to clear up and investigate the business of this bonded warehouse during its operation period of the enterprise. Based on related facts, Leezhao provided investigation report and related legal opinions to the Customs, and represented the client to negotiate with the Customs. Consequently, the approval from the Customs to shut the bonded warehouse was obtained successfully, and the risk of recovering large amounts of tax to the Customs was avoided.</p>
	<p>When one Japan-invested chemical enterprise imported raw materials from Japan, the Customs suspected the transaction price and required that the license fee of proprietary technology and the</p>

Key Words	Some Typical Cases
Customs evaluation on royalties	<p>user fee of trademarks (royalties) separately paid by the enterprise to the Japanese parent enterprise shall be included into the dutiable value of the raw materials imported, and be levied.</p> <p>After being entrusted, the lawyers investigated the title, the purpose and circumstances of the usage of the imported raw material, the domestic manufacturing procedure, know-how and the registered trademarks. On behalf of the client, Leezhao negotiated with the Customs in charge, and illustrated the relationship among the royalties, the imported raw material, and the product manufacture. As a result, the Customs was persuaded to exclude the royalties into the dutiable value of the raw materials imported, and therefore, large amount of tariff was avoided.</p>
VMI management consultant	<p>Leezhao provided professional legal opinions for multiple electronic product manufacturing enterprises, logistic enterprises on the design of VMI management. The content thereof includes the arrangement of commerce flow, logistics, and capital flow when carrying out export trade, international trade, and import trade based on the policies in the pilot free trade zone. Leezhao deeply analyzed and demonstrated the design of related trade contract, warehouse service contract, contract of carriage, the import and export, clearance, bonded trade operations, Customs supervision, export rebates, etc, and pointed out the risk. The professional legal opinions of the lawyers provided legal guarantee to the enterprise on carrying out the VMI business.</p>
Compliance management during import and export	<p>Entrusted by considerable foreign-invested enterprises, Leezhao provided overall management and risk warnings on their customs affairs, the import and export of goods, the processing trade, freight and freight forwarding systems. In addition, Leezhao assisted clients with their negotiations with Customs, inspection authority, declaration enterprises, etc, and provided legal opinions and solutions to the clients.</p>