

Implementation Plan for Tariff (Year 2007)

1 Adjustment of import tax

(1) In accordance with tariff diminution obligation upon the entrance of WTO, the import tax adjustment is as follows:

(a) The MFN tariff rate of 44 tax items including polyethylene in "import tariff" is reduced (please refer to attached form 1), the others remain the same.

(b) The custom inspection and tariff of the 9 ex information technology products remains the same (please refer to attached form 2);

(c) 45 tariff items in 8 categories including wheat shall be subject to tariff rate quota control. The Urea, combined fertilizer, diammonium phosphate shall be subject to quota rate of 1%. Certain amount of cotton import out of quota shall be subject to 6%-40% slide tax. Tax rate of other commodities shall remain the same. (please refer to attached form 3)

(d) The specific duty rate shall be adjusted. Specific duty and compound duties shall be imposed to 55 commodities including photosensitive material. (please refer to attached form 4)

(2) Cotton picking machines and part import commodities shall be subject to temporary tax rate (Please refer to attached form 5)

(3) Conventional tariff to relevant countries or regions shall be in accordance with trade or favorable tariff agreement between China and relevant countries.

(a) Certain commodities originated from Korea, India, Sri Lanka, Bangladesh and Laos shall be subject to conventional tariff in "Asia Pacific treaty", (Please refer to attached form 6 [1]);

(b) Certain commodities originated from Brunei, Indonesia, Malaysia, Singapore, Thailand, Philippines, Vietnam, Laos, Myanmar, Cambodia shall be subject to conventional tariff in China-ASEAN free trade zone agreement. (Please refer to attached form 6 [2])

(c) Certain commodities from Chile shall be subject to conventional tariff in China-Chile Free Trade Agreement. (Please refer to attached form 6[3]).

(d) Certain commodities from Pakistan shall be subject to conventional tariff in Sino-Pakistan free trade zone "Early Harvest" Agreement (Please refer to attached form 6[4]).

(e) Commodities originated from Hong Kong with standards approved by the country of origin shall be subject to zero tariff (Please refer to attached form 6[5]);

(f) Commodities originated from Macao with standards approved by the country of origin shall be subject to zero tariff (Please refer to attached form 6[6]).

(4) Special preferential tariff rates shall be imposed in accordance with trade or favorable tariff agreement or decisions of State Council between China and relevant countries.

(a) Certain commodities from Laos, Cambodia and Myanmar shall be subject to special preferential tariff. (Please refer to attached form 7[1])

(b) Certain commodities from Laos and Bangladesh shall be subject to special preferential tariff. (Please refer to attached form 7[2])

(c) Certain commodities from 28 Africa most un-developed countries including Angola, Benin, Burundi, Cape Verde, Central Africa, Comorin, Congo, Djibouti, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda, Zambia, Equatorial Guinea shall be subject to special preferential tariff. (Please refer to attached form 7[3])

(d) Certain commodities from 5 most un-developed countries including Yemen, Maldives,

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Samoa, Vanuatu, Afghanistan shall be subject to Special preferential tariff. (Please refer to attached form 7(4))

(e) General rates shall remain the same.

2. Adjustment of import tax

(a) Export tariff rate in "export tariff " shall remain the same(Please refer to attached form 8);

(b) Certain export commodities including steel billet shall be subject to temporary tariff rate (Please refer to attached form 9), during which urea and ammonium phosphate through general trade and small amount of border trade shall be subject to seasonal temporary tariff rate.

3. Adjustment of tax tariff and tax items.

(a) According to transition version of *coordination system* and combining Chinese situation, Import and Export Tariff shall be transformed accordingly.

(b) Adjusting part tariff nomenclature and items(Please refer to attached form 11), after adjustment, there are 7646 tariff nomenclature and items version 2007.

4. Adjustment of import goods tariff policy

In accordance with the spirit of 2006 consumption tax policy adjustment of the State Council, import goods tariff policy shall be adjusted. (Please refer to attached form 12)

Attached forms are temporarily omitted.