

# Comprehensive Bonded Zone Project Guide (2021 Edition)

General Customs Administration

As a crucial platform for constructing an open economy, the Comprehensive Bonded Zone plays a significant role in developing foreign trade, attracting foreign investment, promoting industrial transformation and upgrading, and coordinating domestic and international markets and resources. In order to transform the Comprehensive Bonded Zone into a globally influential and competitive center for manufacturing, research and design, logistics distribution, testing and maintenance, sales, and services, it is essential to introduce projects suitable for the zone in line with high-quality development requirements. Low levels of automation, outdated technological equipment, and projects with low inherent safety levels are prohibited from entering the zone, as well as high-energy-consuming, highly polluting, and resource-based products listed in the "Prohibited Catalog of Processing Trade." This guide elaborates on the basic policies, trade facilitation measures, and suitable types of enterprises in the Comprehensive Bonded Zone, aiming to provide references for various regions in their endeavors concerning the establishment, industrial planning, investment attraction, and policy promotion of the Comprehensive Bonded Zones.

## 1. Basic Policies of Comprehensive Bonded Zone

### (1) Tax Policies

1. Imported infrastructure materials and equipment are exempt from import duties and import-related taxes.

- Machinery, equipment, and construction materials required for productive infrastructure projects within the zone, as well as materials for manufacturing plants and storage facilities, are exempt from taxes.

- Machinery, equipment, molds, and repair parts required for production within the zone are exempt from taxes.

- Reasonable quantities of office supplies for internal use by zone enterprises and administrative institutions, as well as machinery and equipment imported from abroad for internal use by zone enterprises, are exempt from taxes.

From the date of the State Council's approval of the establishment of the Comprehensive Bonded Zone, machinery and equipment imported by zone enterprises for internal use are eligible for exemption from import duties and import-related taxes.

2. Domestic goods entering the zone are treated as exports, and export tax refunds are implemented.

3. Zone goods entering the domestic market are subject to customs declaration

procedures based on the relevant regulations for goods imports, and taxes are levied based on the actual inspection status of the goods (except for those approved or authorized).

4. Selective tariff policies are implemented. Zone enterprises producing, processing, and exporting bonded goods to areas outside the zone can pay import duties based on the corresponding imported materials or the actual inspection status.

5. Cross-border e-commerce retail import tax policy. Zone enterprises engaged in cross-border e-commerce bonded import business for online shopping can enjoy the cross-border e-commerce retail import tax policy.

6. Zone enterprises are exempt from value-added tax and consumption tax on goods transactions between each other.

7. Zone enterprises (except for pilot enterprises with general taxpayer status for value-added tax) that purchase water (including steam), electricity, and gas for production and consumption from areas outside the zone are eligible for tax refunds as if exporting goods.

8. Tax policies that can be enjoyed with approval or authorization.

(1) Policy granting general taxpayer status for value-added tax to zone enterprises. Zone enterprises that are part of the pilot program can voluntarily apply to become pilot enterprises and, in accordance with regulations, register for general taxpayer status for value-added tax. From the date of the effectiveness of the general taxpayer status for value-added tax, these enterprises can enjoy specific policies, including temporary exemption of import taxes on self-used equipment, payment of annual supplementary taxes based on the proportion of domestic and foreign sales, declaration and payment of value-added tax and consumption tax on domestic sales to tax authorities, payment of import taxes to customs as required, deferred tax interest, and application of export tax refund (exemption) policies for export goods, as well as specific policies for value-added tax deductions.

(2) Other tax policies approved or authorized.

(III) Bonded Supervision Policies

1. No storage period is set for bonded goods within the zone.

2. Imported goods can enter the zone under bonded supervision.

3. Bonded goods can circulate freely between zone enterprises.

4. Comprehensive bonded zones in prefecture-level administrative divisions

(including municipalities) with designated ports for vehicle imports can conduct bonded storage and exhibition of imported automobiles.

#### (IV) Foreign Exchange Policies

Goods entering or leaving the zone (between domestic and foreign areas) can be settled in foreign currency or RMB.

### II. Special Trade Facilitation Measures in Comprehensive Bonded Zones

1. Zone manufacturing enterprises can utilize surplus production capacity to undertake commissioned processing from domestic and foreign areas.
2. Zone enterprises can autonomously file records, set reasonable verification periods, independently declare and pay taxes, and streamline customs approval procedures.
3. New R&D and manufacturing enterprises within the zone will be assigned the highest credit rating directly, meeting relevant standards as evaluated.
4. Except for prohibited imports, zone enterprises importing goods and items from overseas for research and development purposes are exempt from submitting permits. Consumable materials imported for research and development can be verified based on actual consumption.
5. For goods and items entering the zone that are not subject to export tariffs, do not require trade control certificates, do not require tax refunds, and are not included in customs statistics, streamlined entry and exit management procedures are implemented.
6. Data automatic comparison and gate automatic clearance are implemented within the zone, allowing for direct circulation of bonded goods from point to point.
7. Medical devices imported by zone enterprises for research and demonstration purposes are exempt from relevant registration or filing procedures.
8. Registration review is implemented for cultural relics entering the zone from overseas. Approval documents from the cultural and tourism administrative department are exempt for artworks moving between comprehensive bonded zones and overseas areas.
9. Zone enterprises can inspect medical devices and in vitro diagnostic reagents imported from overseas for research and demonstration in comprehensive bonded zones, under necessary supervision and inspection conditions. Food items entering

the zone from overseas that require testing are released after sampling. Inspection of animal and plant products entering the zone from overseas is conducted after entry, and subsequent disposal is based on the test results.

10. For financing leasing enterprises registered in comprehensive bonded zones, importing and exporting large equipment such as aircraft, ships, and marine engineering structures can be supervised by customs in other locations if actual entry conditions are not met.

11. Zone enterprises can process centralized declaration procedures. Enterprises applying centralized declaration consolidate declaration data within the time frame specified by customs and proceed with centralized declaration. Centralized declaration adopts tax rates and exchange rates in effect on the date of the customs declaration.

12. Non-bonded goods can enter the comprehensive bonded zone without customs declaration and, after consolidation and distribution with bonded goods, can be exported or returned to the domestic area.

### III. Types of Enterprises Suitable for Entry into the Zone

#### (I) Manufacturing Enterprises.

##### 1. All Finished Products for Export Model.

###### (1) All Imported Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced from abroad, and all products are exported abroad.

- The enterprise primarily utilizes tax-free construction materials and equipment to produce and process raw materials, which are imported into the zone and cleared as bonded goods upon export.

###### (2) All Domestic Purchased Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced domestically, and all products are exported abroad.

- The enterprise primarily utilizes tax-free construction materials and equipment to produce and process domestically purchased goods, which are brought into the zone for tax refund and cleared upon export.

###### (3) Mixed Sourcing of Raw Materials Type.

- Source of raw materials and destination of finished products: Production raw materials are partly sourced from abroad and partly from domestic suppliers, and all products are exported abroad.

- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It imports raw materials as bonded goods from abroad and brings domestic goods into the zone for tax refund, cleared upon export.

## 2. All Finished Products for Domestic Sales Model.

### (4) All Imported Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced from abroad, and all products are sold domestically. Finished products are subject to actual state taxation or selective tariff policy, providing advantages in overall tax costs.

- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It imports raw materials as bonded goods from abroad and clears the finished products upon actual state taxation or selective tariff policy.

### (5) All Domestic Purchased Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced domestically, and all products are sold domestically. Finished products are subject to actual state taxation or selective tariff policy, providing advantages in overall tax costs.

- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It brings domestic goods into the zone for tax refund and clears the finished products upon actual state taxation or selective tariff policy.

### (6) Mixed Sourcing of Raw Materials Type.

- Source of raw materials and destination of finished products: Production raw materials are partly sourced from abroad and partly from domestic suppliers, and all products are sold domestically. Finished products are subject to actual state taxation or selective tariff policy, providing advantages in overall tax costs.

- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It imports raw materials as bonded goods from abroad, brings domestic goods into the zone for tax refund, and clears the finished products upon actual state taxation or selective tariff policy.

### 3. Dual Domestic and Foreign Sales of Finished Products Model.

#### (7) All Imported Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced from abroad, and finished products are either exported or sold domestically.
- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It imports raw materials as bonded goods from abroad and clears the finished products upon actual state taxation or selective tariff policy.

#### (8) All Domestic Purchased Raw Materials Type.

- Source of raw materials and destination of finished products: All production raw materials are sourced domestically, and finished products are either exported or sold domestically.
- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It brings domestic goods into the zone for tax refund and clears the finished products upon actual state taxation or selective tariff policy.

#### (9) Mixed Sourcing of Raw Materials Type.

- Source of raw materials and destination of finished products: Production raw materials are partly sourced from abroad and partly from domestic suppliers, and finished products are either exported or sold domestically.
- The enterprise primarily utilizes tax-free construction materials and equipment for production and processing. It imports raw materials as bonded goods from abroad, brings domestic goods into the zone for tax refund, and clears the finished products upon actual state taxation or selective tariff policy.

### 4. Finished Product Bonded Circulation Model.

#### (10) Bonded Carry-over Type.

- Source of raw materials and destination of finished products: Finished products are carried over to domestic processing and trade enterprises or transferred to another customs special supervision area or bonded supervision site.
- The enterprise primarily utilizes tax-free construction materials and equipment. It follows the policy of importing goods as bonded goods from abroad and receiving tax refund for domestic goods brought into the zone, facilitating the process of carrying

over bonded goods and providing advantages in overall tax costs.

(II) Research and Development (R&D) Enterprises.

1. Productive R&D Type.

- The raw materials for these enterprises come from overseas, domestic, or within the designated area. The developed products can be tangible or intangible (including test results, research reports, etc.), used for export, domestic sales, or to meet production service needs.

- These enterprises primarily benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, and tax refunds for goods brought into the designated area. They also enjoy convenient procedures for bonded goods settlement. Except for prohibited imports, the enterprises within the designated area can import goods and materials for R&D purposes from overseas without requiring additional permits. The consumed materials imported are verified based on actual R&D consumption. Overall, they enjoy cost advantages.

2. Specialized R&D Type.

- The raw materials for these enterprises come from overseas, domestic, or within the designated area. They conduct R&D and design activities in various scientific and technological innovation fields. The developed products can be tangible or intangible (including test results, research reports, etc.).

- Similar to the productive R&D type, these enterprises also benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, and tax refunds for goods brought into the designated area. They enjoy convenient procedures for bonded goods settlement. Except for prohibited imports, the enterprises within the designated area can import goods and materials for R&D purposes from overseas without requiring additional permits. The consumed materials imported are verified based on actual R&D consumption. Overall, they enjoy cost advantages.

(III) Logistics Distribution Enterprises.

1. Export Consolidation Type.

- All goods for these enterprises come from overseas or domestic sources and are stored within the designated area. After sorting and consolidation, all the goods are exported overseas.

- These enterprises benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into

the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and the classification-based supervision of warehouse goods. Overall, they enjoy advantages in terms of tax costs.

## 2. Import Distribution Type.

- All goods for these enterprises come from overseas or domestic sources and are stored within the designated area. After sorting and consolidation, the goods are distributed domestically.

- These enterprises benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and the classification-based supervision of warehouse goods. Overall, they enjoy advantages in terms of tax costs.

## 3. Simple Processing Type.

- Goods for these enterprises come from overseas or domestic sources and undergo simple circulation-related processing such as labeling, sorting, repackaging, etc., before being re-exported overseas or imported domestically.

- These enterprises benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and the classification-based supervision of warehouse goods. Overall, they enjoy advantages in terms of tax costs.

## 4. Domestic Circulation Type.

- All goods for these enterprises come from domestic sources and are stored within the designated area before being fully imported into the country.

- These enterprises benefit from tax exemptions on infrastructure materials and equipment, tax refunds for goods brought into the designated area, no storage period requirement for bonded goods within the area, and convenient import procedures for goods leaving the area. Additionally, they are subject to the classification-based supervision of warehouse goods. Overall, they enjoy advantages in terms of tax costs.

## 5. Comprehensive Logistics Type.



- Goods for these enterprises come from overseas or domestic sources and are stored within the designated area. They may undergo processes such as sorting, consolidation, simple circulation-related processing, or be exported overseas or imported domestically, or transferred to other customs special supervision areas or bonded supervision locations.

- These enterprises benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and the classification-based supervision of warehouse goods. They also enjoy convenient procedures for goods leaving the area. Overall, they enjoy advantages in terms of tax costs.

(IV) Inspection and Maintenance Enterprises.

#### 1. Inspection Institution Type.

- Business Type: These enterprises are engaged in inspection and certification services. The objects being inspected come from overseas, domestic, or within the designated area. After inspection, the products are returned overseas, domestic, or the designated area. The inspection companies issue inspection and certification results.

- These enterprises mainly benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, and tax refunds for goods brought into the designated area. They also enjoy convenient procedures for bonded goods settlement. Overall, they enjoy cost advantages.

#### 2. After-sales Maintenance Type.

- Business Type: These enterprises provide maintenance services for their own products or products within their group. The materials used for maintenance come from overseas, domestic, or within the designated area, and the products are returned to the original customers after repair.

- These enterprises primarily benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, and exemption from value-added tax for domestic enterprises within the area. Overall, they enjoy cost advantages.

#### 3. Global Maintenance Type.

- Business Type: These enterprises specialize in high-tech, high value-added, and

environmentally compliant professional maintenance services. The maintenance objects must conform to the maintenance product catalog and can come from overseas or domestic sources. The materials used for maintenance come from overseas, domestic, or within the designated area, and the repaired goods are re-exported or returned to areas outside the designated area, either overseas or domestically.

- These enterprises primarily benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, and exemption from value-added tax for domestic enterprises within the area. Overall, they enjoy cost advantages.

#### 4. Remanufacturing Type.

- Business Type: These enterprises are engaged in high-tech, high value-added remanufacturing activities in industries such as aerospace, engineering machinery, CNC machine tools, etc. The goods used for remanufacturing come from overseas or domestic sources, and the materials used in the remanufacturing process come from overseas, domestic, or within the designated area. After remanufacturing, the goods are either exported or sold domestically as needed.

- These enterprises primarily benefit from tax exemptions on infrastructure materials and equipment, the bonded entry of overseas goods, tax refunds for goods brought into the designated area, and exemption from value-added tax for domestic enterprises within the area. Overall, they enjoy cost advantages.

#### (V) Sales and Service Enterprises.

##### 1. Trading Type.

- Business Type: These enterprises engage in international procurement and distribution operations for domestic enterprises. The goods for procurement and distribution are stored in designated area warehouses.

- These enterprises primarily benefit from the bonded entry of overseas goods and tax refunds for goods brought into the designated area. They conduct domestic and international distribution, resulting in overall tax cost advantages.

##### 2. Bonded Exhibition Type.

- Business Type: These enterprises conduct import product exhibition activities within the designated area or at specific locations approved by customs. They may also engage in bonded exhibition trading activities outside the perimeter of the comprehensive bonded area.

- These enterprises primarily benefit from the bonded entry of overseas goods, and they enjoy flexible procedures for bonded exhibition trading and return and exchange of goods, resulting in overall tax cost advantages.

### 3. Service Outsourcing Type.

- Business Type: These enterprises provide international service outsourcing businesses such as information technology outsourcing (ITO), business process outsourcing (BPO), cultural and creative services, software testing, and related outsourcing equipment maintenance within the designated area.

- These enterprises primarily benefit from tax exemptions on imported self-use equipment and maintenance spare parts and exemption from value-added tax for domestic enterprises within the area, resulting in overall tax cost advantages.

### 4. Import and Export Transport Vehicle Service Type.

- Business Type: These enterprises store goods within the designated area and provide materials and related services for import and export transport vehicles (such as airplanes, ships, trains, and cars).

- These enterprises primarily benefit from the bonded entry of overseas goods, tax refunds for goods brought into the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and convenient procedures for goods leaving the area, resulting in overall tax cost advantages.

### 5. Product Promotion Service Type.

- Business Type: These enterprises promote products by displaying goods within the designated area and providing services such as usage training and performance trials.

- These enterprises primarily benefit from the bonded entry of overseas goods, tax refunds for goods brought into the designated area, tax exemptions for imported self-use equipment, exemption from value-added tax for domestic enterprises within the area, no storage period requirement for bonded goods within the area, and convenient procedures for goods leaving the area, resulting in overall tax cost advantages.

### 6. Cross-border E-commerce Type.

- Business Type: E-commerce enterprises engage in cross-border e-commerce retail

import operations or special area export operations using the bonded mode within the comprehensive bonded area.

- These enterprises primarily benefit from the bonded entry of overseas goods and tax refunds for goods brought into the designated area. They can enjoy tax advantages for cross-border e-commerce retail import, resulting in overall tax cost advantages.

#### 7. Futures Bonded Delivery Type.

- Business Type: Enterprises store goods in designated area warehouses and conduct delivery operations in futures trading venues.

- These enterprises primarily benefit from the bonded entry of overseas goods and the future bonded delivery policy, resulting in overall tax cost advantages.

#### 8. Leasing Type.

- Business Type: Enterprises use bonded goods within the designated area as the subject of import and export leasing operations.

- These enterprises primarily benefit from the bonded entry of overseas goods and tax refunds for goods brought into the designated area. For large equipment such as aircraft, ships, and marine engineering structures that do not meet the actual entry conditions, they can implement customs supervision at a different location. Overall, they enjoy cost advantages.

#### 9. Productive Service Type.

- Business Type: Enterprises use equipment and goods within the designated area to provide education and training, medical and health, film and television production, digital trade, and other production-related services.

- These enterprises primarily benefit from tax exemptions on equipment and the bonded entry of overseas goods, resulting in overall cost advantages.