



## South China Snapshot:

### Used Equipment

The used equipment market in China is huge. However, the procedure for buying equipment previously used outside of China is very complex under current Chinese regulations.

The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) is the frontline Chinese government agency that handles the importation of used equipment. However, the General Administration of Customs and the Ministry of Commerce (MOC) also have a role in such imports.

In general, the Chinese government has also issued 19 documents, including "general decrees" and "detailed implementation regulations", which provide guidance on how to go through the importation procedures. All documents can be seen at the link [http://www.gdcqi.gov.cn/InfoPubSelectList2.aspx?UF\\_Name=检验鉴定监管&UFunction=进口旧机电产品检验监管](http://www.gdcqi.gov.cn/InfoPubSelectList2.aspx?UF_Name=检验鉴定监管&UFunction=进口旧机电产品检验监管), which is in the webpage of the Guangdong Entry-Exit Inspection & Quarantine Bureau (GDCIQ), one of the subordinate offices of AQSIQ. All documents are in Chinese.

Usually, for used equipment that will have a specific Chinese end-user, the end-user will help go through the application procedure. For used equipment without a specific Chinese end-user, the application will be complicated and it will be difficult to meet all of the Chinese government's requirements.

## Used Equipment Market in China

The procedure for importing used equipment is divided into the following steps:

### Import license:

Import certificates (if required) are issued by the MOC or its provincial office before the importation of second-hand mechanical and electrical equipment. It is the consignee of the equipment or their agent that must obtain the required certificates before importation.

### Record filling:

At least 90 days before the arrival of good the consignee must file records with AQSIQ or the local administration of inspection branch directly under the AQSIQ.

### Pre-shipment inspection:

From 2007 on, all imported used equipment has been subject to a pre-shipment check regardless of dollar value. The pre-shipment inspection institution will complete an inspection before the shipment of goods, then submit a Pre-shipment Inspection Report to the local AQSIQ branch. The local AQSIQ branch will then review the report and issue a Certificate of Pre-shipment Inspection if the goods meet AQSIQ criteria.

The Los Angeles-based CCIC North America INC is the only office authorized to conduct pre-shipment checks in the United States. The contact information is as below:

1050 Lakes Drive, Suite 480, West Covina, CA 91790, U.S.A.

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CCIC North America will conduct a pre-shipment check at the request of AQSIQ after a "buying order" has been placed to AQSIQ. The time required for a pre-shipment check varies on case-to-case basis. The pre-shipment check is charged at a standard fee based on the specific imported used equipment's value.

### Arrival Inspection:

All imported used equipment is subject to an arrival check at port. Upon reaching the port of entry the goods will go through an inspection and quarantine whereby the goods are reviewed against the pre-shipment inspection certificate.

After finishing the three-step ACSIQ check, the imported used equipment is handed over for customs clearance.

Even though the Chinese Government has been trying hard to regulate the used equipment market and smooth the procedures for importing used equipment, in reality, the procedure for making such a transaction is very complicated and tedious. Often, exact procedures are determined on a case-by-case basis. Legitimate transactions are hindered under the current Chinese government's regulations and application procedures.

Chinese law prohibits imports of certain types of second-hand products under most circumstances. Examples include automobiles, cell phones, and medical equipment. However, many Chinese companies claim that they can help foreign companies sell such used equipment to China. These Chinese companies may in fact be bypassing rules and regulations to get used equipment into China. Noticing the large amount of used equipment available in local markets without proper records at the local ACSIQ offices, local government officials admitted in private that very little imported used equipment is able to get legitimate licenses under the current strict application of procedures and regulations.

**For More Information Contact:**

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