**The Customs Tariff Commission of the State Council Concerning the Origin of the United States**

**Notice of 500 Billion U.S. Dollars Imported Goods Expropriated**

Taxation Committee Announcement [2018]

On June 15, 2018, the U.S. government issued a list of goods subject to tariffs, which will impose a tariff of 25% on about 50 billion U.S. dollars of goods imported from China, of which about US$34 billion will be goods from July 6, 2018. It began to impose tariffs and began to solicit public opinions on about 16 billion U.S. dollars in tariffs. The U.S. measures violated the relevant rules of the World Trade Organization and it is contrary to the consensus reached in the Sino-U.S. negotiations. It seriously violates our legitimate rights and interests and threatens the interests of our country and people.

According to the "People's Republic of China Foreign Trade Law," "The People's Republic of China Import and Export Tariff Regulations," and other laws and regulations and the basic principles of international law, the State Council Tariff Commission decided to impose an additional 25% on 659 items of US$50 billion imported goods originating in the United States. Tariffs, including 545 items of approximately US$34 billion in goods, have been subject to additional tariffs since July 6, 2018, and the implementation time of additional tariffs on other commodities has been announced separately. The relevant matters are as follows:

1. For 545 commodities such as agricultural products, automobiles, and aquatic products, tariffs shall be imposed on July 6, 2018. Please refer to Schedule 1 for specific commodity ranges.

2. For the 114 commodities such as chemical products, medical equipment and energy products, the implementation time of additional tariffs shall be announced separately. The specific commodity scopes are listed in Attached Table 2.

3. To impose a 25% tariff on the imported products listed in Schedules 1 and 2 originating in the United States on the basis of the current taxation method and applicable tariff rates, the current policy on bonded and tax-exemption shall remain unchanged. Tariffs are not reduced.

Fourth, after adding tariffs, the relevant import tax calculation formula:

Tariff = Customs-imposed tariff calculated at current applicable tax rate + Customs Duty-paying price × Tax rate added

Ad valorem rate goods import link consumption tax = import link consumption tax calculation price × consumption tax ratio tax rate

Import quota for fixed quantity of goods imports = import quantity × consumption tax fixed tax rate

Taxes for the importation of compound taxable goods = Taxes for consumption of consumption tax at the import link × Tax rate for consumption tax + Import volume × Consumption tax Fixed tax rate

Ad valorem goods import tax consumption tax revenue tax = (tariff duty price + tariff) ÷ (1-consumption tax rate)

Taxes for Consumption Taxes on Imports of Compound Taxable Goods = (Customs Duty Paid Price + Customs + Import Quantity x Consumption Tax Fixed Tax Rate) (1 - Consumption Tax Proportion Tax Rate)

Value-added tax for import link = Value-added tax for import link × Tax rate for import link VAT

Import link VAT taxation price = Customs Duty paid price + Customs duty + Import link consumption tax

Schedule:

1. List of tariffs on the United States and Canada

2. List of tariffs on the United States and Canada

State Council Customs Tariff Commission

June 16, 2018