**General Customs Administration Announcement No. 40 [2015]**

**(Announcement on the Launch of Bonded Delivery for Crude Oil Futures)**

Following the listing of crude oil futures in China, and clarifying the regulatory Customs requirements on the bonded delivery of crude oil futures, relevant matters are hereby announced as follows:

I. Bonded delivery of crude oil futures shall be carried out ineligible special Customs supervision areas or bonded supervision sites. The Shanghai International Energy Exchange shall earmark deliverable oil products and designated delivery storage facilities for the launch of bonded delivery for crude oil futures filed by the General Administration of Customs.

II. Designated delivery storage facilities shall establish a computer management system in line with the requirements of Customs supervision, connect with the Customs network, and ensure the authenticity, accuracy, and effectiveness of the data.

The Shanghai International Energy Exchange shall achieve computer networking with the competent Customs for designated delivery storage facilities, and provide such electronic information as a *Bonded Delivery Settlement Statement* (Appendix 1 and Appendix 2) and a *List of Bonded Standard Warrants* (Appendix 3) through the Standard Warrant Management System in real time.

III. Crude oil for bonded futures delivery, which falls into various delivery categories in designated delivery storage facilities, shall not be stored in the same place. The same tank can be used to store the same goods owner’s crude oil for bonded future delivery, which fall into the same delivery categories.

IV. Upon completion of bonded futures delivery of crude oil, where import and export of bonded crude oil are needed, designated delivery storage facilities and legitimate holders of bonded standard warrants (hereinafter referred to as “holders of warrants”) shall undergo customs declaration formalities to the competent Customs with a *Bonded Delivery Settlement Statement, List of Bonded Standard Warrants*, and other documents.

V. Customs shall confirm the duty-paid value of crude oil for bonded futures delivery in accordance with the following principles:

(I) Delivery under bonded standard warrants at maturity: Duty-paid value shall be confirmed based on the bonded delivery settlement price of crude oil futures listed in the Shanghai International Energy Exchange, plus delivery premium and discount.

(II) Delivery under bonded standard warrants for physical exchange: Duty-paid value shall be confirmed based on the settlement price of crude oil futures under the contracts of the latest month, as issued by the Shanghai International Energy Exchange on the trading day before the date of application for physical exchange, plus delivery premium and discount.

(III) Delivery under non-standard warrants for physical exchange or transfer under bonded standard warrants without the process of bonded futures delivery: Duty-paid value shall be confirmed according to the prevailing relevant provisions concerning the domestic sale of bonded goods.

(IV) Difference incurred at the time of import of bonded crude oil delivery: Duty-paid value shall be confirmed based on the settlement price of crude oil futures under the contracts of the latest month, as issued by the Shanghai International Energy Exchange on the trading day before the date of the load-out of bonded crude oil, plus delivery premium and discount.

VI. For crude oil futures, bonded standard warrants may be pledged. Pledges shall be accompanied by a tax payment guarantee, and must satisfy Customs supervision requirements.

Holders of warrants shall submit the following documents when applying for a warrant pledge, filing formalities with the competent Customs office:

(1) *Filing Table for Bonded Standard Warrant Pledges* (Appendix 4);

(2) Supporting documents and copies of incorporation material;

(3) Margin or bank guarantee; the guarantee amount shall not be lower than the tax payable on the pledged goods, and the duration of the guarantee shall not be less than the pledge duration;

(4) Other documents required by Customs.

VII. Where the holder of a warrant requests the cancellation of a pledge, it shall submit a *Table for the Cancellation of Filing for a Bonded Standard Warrant Pledge* (Appendix 5), a copy of the pledge cancellation agreement, and other documents to the competent Customs office, and undergo pledge lifting formalities. When the pledge is cancelled, warrants under the same pledge contract shall not be cancelled in batches.

VIII. Bonded standard warrants for crude oil futures may be transferred. Bonded standard warrants for crude oil futures may be used as futures trading margins.

IX. Domestic crude oil earmarked for bonded futures delivery shall be stored in designated export supervision warehouse. In accordance with the relevant provisions, Customs shall transmit the customs clearance information and export customs declaration statement in electronic form to the State Administration of Taxation.

X. Crude oil for bonded futures delivery, which is stored in designated delivery storage facilities, shall not be subjected to storage deadlines.

XI. Designated delivery storage facilities shall truthfully declare actual losses. Customs shall recognize that natural loss of crude oil for bonded futures delivery during the storage period shall be at most 0.12%/year (1.2 of 1,000 per year).

This announcement shall come into force on the date of promulgation.

Appendices:

1. *Bonded Delivery Settlement Statement (For CustomsDeclaration—1)*

2. *Bonded Delivery Settlement Statement (For Customs Declaration—2)*

3. *List of Bonded Standard Warrants*

4. *Filing Table for Bonded Standard Warrant Pledges*

5. *Table for the Cancellation of Filing for Bonded Standard Warrant Pledges*

General Customs Administration

August 20, 2015

Appendix 1

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **The Shanghai International Energy Exchange**  **Bonded Delivery Settlement Statement (For Customs Declaration—1)** | | | | | | | | | | |
| Load-out Statement No.: | |  | | | | | | | | |
| Client Name | |  | | | | Client No. | | |  | |
| Name of Designated Delivery Storage Facility | |  | | | | Delivery Product | | |  | |
| Oil Product | Delivery Method | Delivery Period | Bonded Delivery Settlement Price | | Delivery Premium and Discount | Warrant Quantity | | Delivery Amount | Warrant Weight | | |
|  |  |  |  | |  |  | |  |  | |
|  |  |  | |  |  | |  |
|  |  |  |  | |  |  | |  |  | |
|  |  |  | |  |  | |  |
| Total Amount | |  | | | | | | | | |
| Remarks | |  | | | | | | | | |
| Print Date: | |  | |  | | |  | | | Operator: |

Notes:

1. This settlement statement is based on the number of standard warrants written off at the time of load-out, and is used for the initial load-out declaration.
2. Delivery Amount = (Bonded Delivery Settlement Price + Delivery Premium and Discount) × Warrant Quantity. Delivery Premium and Discount includes delivery oil product premium and discount, regional premium and discount, and other premiums and discounts specified by the Shanghai International Energy Exchange.
3. Total Amount = Sum of Delivery Amounts
4. The crude oil unit price is “RMB/Barrel”, and the quantity unit is “Barrel”; the fuel oil unit price is “RMB/Ton”, and the weight unit is “Ton”; the weight unit is “KG”, and the amount unit is “RMB”.

Appendix 2

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **The Shanghai International Energy Exchange**  **Bonded Delivery Settlement Statement (For Customs Declaration—2)** | | | | | | | | | | | | | | | | | |
| Load-out Statement No.: | | | |  | | | | | | | | | | | | | |
| Client Name | | | |  | | | | | | Client No. | | | |  | | | |
| Name of Designated Delivery Storage Facility | | | |  | | | | | | Delivery Product | | | |  | | | |
| Calculation of Delivery Amount | | | | | | | | | Calculation of Difference Amount | | | | | Declaration Amount | Declaration Quantity | | |
| Oil Product | Delivery Mode | Delivery Period | Bonded Delivery Settlement Price | | Delivery Premium and Discount | Warrant Quantity | Delivery Amount | | Difference in Settlement Price | | Difference Quantity (±) | | Difference Amount | Subtotal | Inspection Quantity | | Inspection Weight |
|  |  |  |  | |  |  |  | |  | |  | |  |  |  | |  |
|  |  |  | |  |  |  | |  | |
|  |  |  |  | |  |  |  | |  | |  | |  |  |  | |  |
|  |  |  | |  |  |  | |  | |
| Total Amount | | | -- | |  |  | -- | | -- | |  | |  |  |  | |  |
| Remarks | | | Legal Inspection Quantity: | | | | | | | | | | | | | | |
| Print Date: | | |  | | | | |  | | | |  | | | | Operator: | |

Notes:

1. This settlement statement refers to the quantity certificate issued by Designated Inspection Agencies, and is used for the final load-out declaration.
2. Delivery Amount = (Bonded Delivery Settlement Price + Delivery Premium and Discount) × Warrant Quantity.
3. Difference Amount = (Difference Settlement Price + Delivery Premium and Discount) × Difference Quantity.
4. Delivery Premium and Discount includes delivery oil product premium and discount, regional premium and discount and other premiums and discounts specified by the Shanghai International Energy Exchange.
5. Subtotal = Delivery Amount+/Difference Amount
6. The crude oil unit price is “RMB/Barrel”, and the quantity unit is “Barrel”; the fuel oil unit price is “RMB/Ton”, and the weight unit is “Ton”; the weight unit is “KG”, and the amount unit is “RMB”.

Appendix 3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **The Shanghai International Energy Exchange**  **List of Bonded Standard Warrants**    Load-out Statement No.: | | | | |
| Client Name |  | | Delivery Product |  |
| Name of Designated Delivery Storage Facility |  | | | |
| Oil Product | Delivery Mode | Delivery Period | Warrant Quantity | |
|  |  |  |  | |
|  |  |  | |
|  |  |  |  | |
|  |  |  | |

Print Date: Operator:

Operator:

Notes:

1. This List of Bonded Standard Warrants corresponds to *Bonded Delivery Settlement Statement (For Customs Declaration—1)*.
2. The crude oil warrant quantity unit is “Barrel”; the fuel oil warrant quantity unit is “Ton”.

Appendix 4

**Filing Table for Bonded Standard Warrant Pledges**

No.:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Pledger Information | Enterprise Name: | | | Customs Registration Code: | |
| Enterprise Type: | Enterprise Classification Level: | | | Registered Capital: |
| Address in Jurisdiction of the Customs: | | | | |
| Legal Representative: | | Contact Person and Contact Information: | | |
| Business Scope: | | | | |
| Opening Bank and Account Number: | | | | |
| Pledgee’s Information | Financial Institution Name: | | | Legal Representative: | |
| Address: | | | | |
| Contact Person and Contact Information: | | | | |
| Description for Filing Matters:  Pledger’s Signature and Seal:  Date: (mm/dd/yy) | | | | | |
| Review by Competent Customs    Initial Review Comment: Re-Review Comment: | | | | | |
| Pledgee’s Promise: If the loan fails to be repaid and the pledge is needed to repay the loan, the pledgee promises to pay Customs taxes, or uses the converted (realized) price of the pledge to pay Customs taxes, and submit the relevant documents.  Pledgee’s Seal: Legal Representative’s Signature:  Date: (mm/dd/yy) | | | | | |

Note: This table is made in quadruplicate. The Customs office, pledgee, pledger, and designated delivery storage facility shall each hold one copy.

Appendix 5

**Table for the Cancellation of Filing for a Bonded Standard Warrant Pledge**

No.:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Pledger |  | Customs Registration Code |  |
| Address with in Customs Jurisdiction |  | Tel |  |
| Enterprise Type |  | Enterprise Classification Level |  |
| Business Scope |  | Registered Capital |  |
| Contact Person |  | Tel. |  |
| Name of Pledgee |  | Pledge Duration |  |
| Pledge Quantity: | | | |
| Description of Filing Cancellation  Pledger’s Signature and Seal:  Date: (mm/dd/yy) | | | |
| Review by Competent Customs Office    Initial Review Comment: Re-Review Comment: | | | |
| Remarks: | | | |

Note: This table is made in quadruplicate. The Customs office, pledgee, pledger, and designated delivery storage facility shall each hold one copy.