

LIBERTY INTERNATIONAL, INC.



GLOBAL FACTS!

China CIQ - January 7 Update

- Many have asked us whether the new rule applies for shipments to all destinations (non USA destinations). **The regulation applies to all export shipments of imitation, base metal jewelry to all destinations worldwide**
- **We have an updated status list for many factories in Qingdao.** Please contact us at kkenney@libertyint.com to check the status of a particular factory. Please provide the factory name and contact information in your request. As we are sure you can understand, while respecting confidentiality of source information, we cannot release the full list
- Inspection certificates expire after 2 month's time. The factory has 2 months to export the cargo after they receive the Inspection Certificate
- The meeting in Qingdao was held at the Qingdao Chengyang District Government Party School Auditorium (we apologize for the delay in advising the location)
- The factory is responsible for all examination and testing fees. If CIQ takes a sample from the factory for lab testing, the factory is responsible to pay for the testing regardless of whether or not the goods pass inspection
- **The new CIQ rule applies to cargo imported into China as well.** The importer must apply for the certificate in these cases
- As reported at today's China Customs meeting in Qingdao, the first step in the new process is to register with China CIQ. Many factories have completed this process, but there's still a large number who have not. Factories can apply online at www.eciq.cn. Once the online application is approved, the factory will need to go in person to CIQ to present documentation (a complete list of those documents can be obtained by calling the CIQ telephone number in Qingdao). If both the online application and the documentation are in order, the factory's registration is approved.
- The next step is to prepare documents for commodity inspection: a Factory Inspection List, Carton Certification (after January 17), Shipper's Announcement, Testing Report (**MUST USE CIQ's NOMINATED LAB TO PERFORM TESTING AND PRODUCE THE REPORT**), Commodity Inspection Authority, Commercial Invoice, Packing List, Contract and Airwaybill
- **China CIQ announced today that they have nominated Shandong Inspection and Quarantine Technical Center to perform all testing in Qingdao. The factories must use only this agency's testing report. Testing will take 6 - 11 days depending on the export country's rules and the products being shipped**
- After the above documents are submitted to CIQ, they'll wait for a response regarding status of the physical inspection. For a factory with a good record with China Customs and CIQ (factory's products are of good quality and the factory is organized), CIQ may not perform a physical inspection of samples, issuing an Inspection Certificate against the documents only. For a newly registered factory or a factory with a history of issues, CIQ will likely perform a physical check of both the product and the factory
- CIQ will issue the Inspection Certificate in 3-5 working days after documents are submitted. Customs has recommended that factories, therefore, apply for the commodity inspection at least 7 working days in advance. Remember that the factory must have already secured the Testing Report from Shandong Inspection & Quarantine prior to submitting the documents, so it's essential that the factory be organized and have a process for insuring samples and documents are submitted on time to meet your targeted shipment dates

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- From Yi Wu, our sources report that very few factories/shippers there are ready to move cargo. Many have registered and applied for inspection certificates, but most will have cargo moving next week at the earliest
- From Hong Kong, our sources are reporting that the same rule is in effect in S. China, but that China Customs and CIQ do not seem to be enforcing that rule as vigorously. Please note, however, that we've confirmed the rule does apply and factories must insure they are in compliance prior to movement of goods to Hong Kong

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