



Verified by GS1 case study

Making China's customs clearance processes more efficient and more accurate with Verified by GS1

The GS1 GTIN and Verified by GS1 have become valued tools for China Customs, bringing benefits to all parties involved in the cross-border supply chain.



Challenge

Thanks to a wide range of government initiatives and multi-lateral trade agreements, China has seen an exponential increase in cross-border trade, both in sheer volume and in the variety of products entering the country. Unfortunately, import procedures requiring companies to manually enter product information multiple times were resulting in discrepancies, inaccuracies and wasted time.

Solution

The General Administration of Customs of the People's Republic of China (GACC) now leverages the GS1 Global Trade Item Number® (GTIN®) and Verified by GS1 to expedite border declarations, minimise errors, improve compliance, watch for counterfeits and enhance a whole range of customs clearance processes. For example, many companies and brokers importing goods to China can now auto-populate product information in the "single window" declaration system simply by entering the product's GS1 GTIN.

Benefits

The results are clear: more accurate product identification, more consistent enforcement of regulations, more efficient customs clearance procedures and overall smarter and better government supervision of the importation of goods.

With China now the world's second-largest importer of goods, China Customs is facing greater challenges in ensuring the safety and efficiency of its border clearance processes.

China Customs used to define an imported product's Harmonised System (HS) code, along with a product name and a few other specifications provided by its importers. But this kind of non-structured information made it difficult to accurately identify products and frequently led to the same items being identified in different ways by different parties. Too often, this created a domino effect of inaccurate declarations, inconsistent applications of tariffs, increased inspections and overall inefficient customs clearance processes.

China Customs knew that the accurate identification of imported goods was the foundation of customs work and saw global, neutral, standardised product identification as crucial to boosting accuracy, enhancing efficiency and increasing transparency in border clearance.

And that's where the GS1 standards came in. In August 2019, China Customs and GS1 China cooperated to roll out the use of the GS1 GTIN for China's "single window" declaration system. In 2021, China Customs then began checking the validity of those GS1 GTINs in Verified by GS1.



File in seconds instead of minutes

For importers and brokers, the decision to use GS1 GTINs during the customs clearance processes brought multiple benefits: it's convenient, smooth and—most importantly—much faster.

In fact, where it used to require multiple minutes to manually fill in a customs declaration form, it now only takes a few seconds. The intelligent auto-fill feature using the GS1 GTIN on the "single window" system has simplified and sped up the filing process, all while improving accuracy.

"The data entry and double-check process for a product took at least 10 minutes in the past," said a logistics manager from Zhuhai Duty Free Group. "Now, thanks to the use of GS1 GTINs, the filing time for a single product is down to an average of 10 seconds, which is a tremendous improvement in efficiency."



Error-free standardised customs declarations

The improvements and benefits are built into the tool: After companies declare a product's GS1 GTIN, China Customs' system immediately accesses and fills in additional product information, including the product type, its HS code, its country of origin and more. Importers no longer need to manually enter this sort of information, effectively improving the accuracy of the standardised declaration.

In the words of the head of one of the China Customs agencies, "The addition of a validated GS1 GTIN to the "single window" declaration is a transformation that brings big data technology to customs tariff collection and management. This innovation can standardise product attributes that are required in the customs declaration process, and as a result, helps us avoid the information inconsistencies and distortions that often happened when importers needed to manually fill in information about products as they circulated across multiple steps of the whole supply chain process."



The addition of the GS1 GTIN to the 'single window' declaration refines its granularity from the HS code level down to the item level. This more precise identification simplifies and standardises the process and enables border agencies across China to more consistently evaluate compliance for products with the same GTIN. In the future, it's expected to receive the original manufacturers' information to set the base of digitalised customs supervision."

—Head of the Tariff Collection & Supervision Department, Nanjing Customs PRC

China Customs is using Verified by GS1 to validate GS1 GTIN declarations as part of the customs clearance process and subsequently linking that GS1 GTIN to additional product information.

In the past two years, the GS1 GTINs of over 780,000 products have been verified from Chinese imports across 99 countries.

Why GS1?

GS1 China has been working closely with China Customs to help them use Verified by GS1 to check the validity of GS1 GTINs and compare product information against what is entered by importers in the “single window” declaration system.

China Customs recognises that the GS1 GTIN identifies products in a way that is unique, stable and global. They also know that checking GS1 GTINs in Verified by GS1 helps ensure product data coming from brand owners outside of China is authentic, trusted and reliable.

The GS1 GTIN is considered a complement to the HS code, not a replacement of it. The GS1 GTIN is a form of product identification with a real strategic value, as well as a way to enhance compliance and fight against counterfeit goods. In short, having validated GS1 GTINs is now considered by China Customs as a crucial element to achieving digital customs clearance.

Furthermore, the data available in Verified by GS1 serves as a trusted benchmark in the customs system in the case of multiple importers declaring different information for the same item.

Verified by GS1 enables smart supervision

Validating GS1 GTINs on declarations helps China Customs to establish one single understanding of product information, allowing its agencies everywhere to consistently apply tariffs and uniformly enforce compliance regulations.

Products whose “single window” declaration information matches data from Verified by GS1 enjoy a faster and more efficient customs clearance; whereas products with inconsistencies may require intervention from a customs agent—including perhaps an inspection. Over time, the China Customs database will have a number of products with a “known” admission history, which will help China Customs focus their time and efforts on higher-risk goods. In this way, the GS1 GTIN and Verified by GS1 are advanced technical tools allowing China Customs to facilitate risk assessment and control.

Looking forward

To further facilitate import declarations and further improve their accuracy, on 1 January 2022, China Customs made the GS1 GTIN a mandatory reporting element for several product categories, including baby food, wheat-based foods, biscuits, beer, cosmetics, wines and liquors.

Additionally, the ongoing cooperation between China Customs and GS1 China has expanded to include the cross-border e-commerce sector. In late 2021, for example, China Customs launched a pilot to test the use of GS1 GTINs as part of “single window” declarations for imported e-commerce goods in certain customs areas. They expect to find that the high-quality product data that comes from using the GS1 GTIN and Verified by GS1 will further facilitate trade processes.

Benefits of Verified by GS1

For Brands



Simplified listing process and faster time to market

For Retailers



Reduced time and costs to gather and verify data

For Regulators



Consistently accurate product data



Data quality visibility and insights



Optimised business processes



Accelerated trade processes

About GACC

The General Administration of Customs of the People's Republic of China (GACC), the headquarters of China Customs, is a key border agency of the nation. Following the government restructuring in 2018, China Customs now boasts 100,000 staff throughout the country with responsibilities of traditional customs, as well as border health checks, inspection, and quarantine for imported and exported animals, plants, and their products, imported and exported food safety, and commodity inspection. GACC oversees 42 customs districts that operate through a total of 678 customs houses nationwide.

english.customs.gov.cn/

About GS1

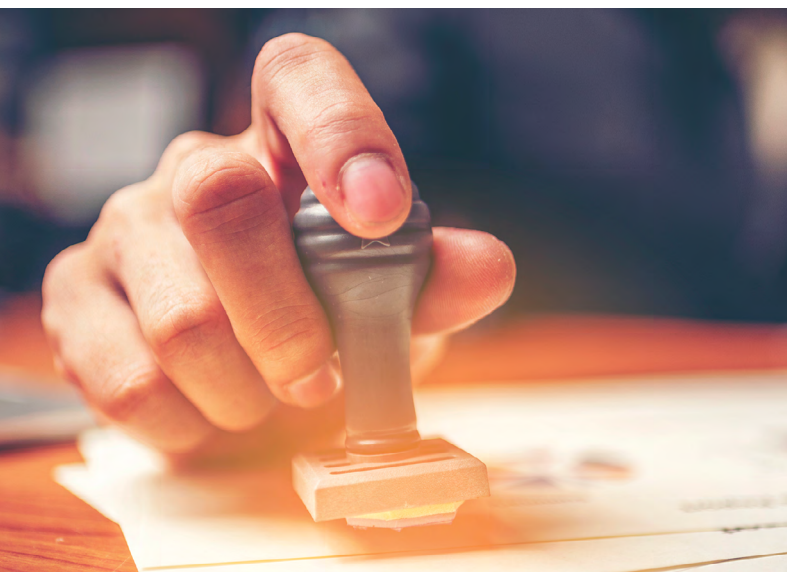
GS1 is a neutral, not-for-profit organisation that develops and maintains the most widely used global standards for efficient business communication. We are best known for the barcode, named by the BBC as one of “the 50 things that made the world economy.” GS1 standards improve the efficiency, safety and visibility of supply chains across physical and digital channels in 25 sectors. Our scale and reach—local Member Organisations in 116 countries, 2 million user companies and 6 billion transactions every day—help ensure that GS1 standards create a common language that supports systems and processes across the globe.

www.gs1.org

About Verified by GS1

Verified by GS1 is a repository of product data that helps organisations answer the question: “Is this the product that I think it is?” Brand owners use Verified by GS1 to associate seven core attributes with each of their products: the product's GS1 GTIN, brand name, description, a URL of a product image, its GS1 Global Product Category (GPC) code, the net content and unit of measure and the country of sale. With the help of Verified by GS1, brand owners, retailers and marketplaces can build rich consumer experiences that deliver trusted, brand-sourced product data, which drives confidence, satisfaction, loyalty—and ultimately, increased efficiency and growth for their businesses.

www.gs1.org/verified-by-gs1



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