

Reminder of Relevant Information Regarding Export Sanctions

EPEC International E-commerce platform (the “**Platform**”), as the platform to lead the domestic industrial manufacturing companies to the international arena, we are concerned about the safety of your business while promoting commodity trading.

The Platform is kindly providing the following general information concerning export controls and sanctions imposed by China, USA and major EU members. In addition, the Platform is providing the channels for inquiring the relevant information in order to help you prepare fully and necessarily in the process of displaying goods, quoting and resale, etc.

E-commerce business operators who involve in transnational e-commerce transactions are responsible for complying with all export laws, administrative regulations and relevant rules. The following is only for your reference and you cannot fully rely on the following information to make business decisions. The Platform Operator is not responsible for any loss or damages caused by violation of import and export related rules.

1. Export controls in China

China has restricted export of dual-purpose nuclear goods to Iran and forbidden export of specific goods to DPRK as explained in detail below:

(1) Export restrictions of the following goods to Iran:

According to relevant regulations of the Ministry of Commerce of China, when exporting dual-purpose nuclear goods (including radium, zirconium, magnesium, titanium, tungsten, beryllium, lithium, hafnium and nickel, etc.) to Iran, it is required to submit applications to the Ministry of Commerce. After the Ministry of Commerce and relevant departments review and approve the applications, the applications will be made to the UN Security Council via diplomatic channel and reviewed by UN Security Council. According to the results of review by the UN Security Council, the Ministry of Commerce of China will approve or disapprove the export application. If it approves, the export permit will be issued.

(2) Export restrictions of the following goods to DPRK:

According to relevant government announcements, China forbids exporting the dual-purpose goods included in the List of Dual-purpose Items and Technologies Forbidden to Be Exported to DPRK. The precious metals and rare metals in the list mainly include aluminum-nickel-cobalt, samarium-cobalt, neodymium-iron-boron, nickel, iron-cobalt-vanadium, tantalum and tantalum alloy, titanium and titanium alloy, zirconium and zirconium alloy, niobium (columbium) or niobium alloy, uranium, thorium and plutonium-238, etc.

When reviewing the declaration documents, the Customs administration will first confirm the customs goods code according to the Customs Tariff so as to confirm the supervisory rules applicable for the trade. To ensure the goods to be exported completely conform to the supervisory requirements by the government, it is necessary to consult the latest version of Customs Tariff, in which the first part is the Customs Tariff of Import Commodities of PRC that contains 21 categories of goods listed in seven rows. Row 1 is customs goods code, Row 2 is names of the goods and Row 7 is the supervisory conditions. See specific meaning of the supervisory conditions in Row 7 in “table of supervisory certificate codes” in Part II, which provides the supervisory and taxation requirements for the goods.

Example:

Tariff Number	Goods name and comments	Export tax refund	Import tax rate			VAT rate	unit	Supervisory conditions
			Most favored	Ordinary	Provisional			
7110.1100	-Platinum -Not forged or in powder state		0.0	0.0		0	g	8x

The above chart is excerpted from the Customs Tariff, which lists the import & export tax rates and supervisory conditions of non-forged platinum or platinum in powder state. The 8X shown in the column of Supervisory Conditions corresponds to “8. Goods forbidden to be exported”, and “X. Toxic chemicals environmental management release notice” in the “table of supervisory certificate codes”.

2. Introduction of sanctions and trade restrictions of U.S. and EU

Platform users should be aware that sanctioning laws and regulations of U.S. and EU are very complex. U.S. executes UN Security Council resolutions, administrative orders issued by the president, legislations passed by the Congress, and the federal laws and regulations promulgated and updated on the Federal Register by executing authorities. EU executes UN Security Council resolutions, laws, regulations, directives and decisions, etc. In spite of the complexity, we have made utmost efforts to provide the following information and hope to help you understand US and EU forbidden trade against sanctioned countries.

(1) U.S.

U.S. is currently comprehensively sanctioning Cuba, Iran, Sudan and Syria. OFAC also has other list to regulate the sanctioned objects. For the contents of sanction, please refer to the description of specific transactions in the Sanction Programs. OFAC has also made instruction for some sanction programs to provide convenient means of gaining information.

At the same time, OFAC has cooperated with Bureau of Industry and Security (BIS) of United States Department of Commerce and Office of Defense Trade Controls of United States Department of Defense to supervise exports in U.S. To be specific, BIS is responsible for implementing the Export Administration Act to regulate export and re-export of non-military goods and technologies (e.g. dual-purpose goods). The Office of Defense Trade Controls is responsible for implementing the International Traffic in Arms Regulations to control import and export of military-related goods and services. The control lists are included in both the Export Administration Act and International Traffic in Arms Regulations.

(2) EU

On the website of European Department of Foreign Affairs, EU Commission has released the latest EU List of Effective Restrictive Measures (Sanctions) in the framework of Common Security and Defense Policy. The list classifies the sanctioned countries and provides sanctioning measures against different countries. It is noteworthy that the list does not include all the restrictive measures of EU sanctions.

As shown above, please make sure to comply with relevant restrictive measures of U.S. and EU on the basis of the other party and contents of the transaction.

It is also noteworthy that supervisory laws and regulations may be amended from time to time. The latest laws and regulations shall prevail. Members and users are obliged to understand and pay attention to the foregoing laws and regulations.