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Interpretation of Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste and Notice on Regulating the Management of the Import of Recycling Iron-Steel Materials

Background

On April 29, 2020, *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* (hereinafter referred to as "*the Law*") was revised by the Standing Committee of the National People's Congress for the second time, which took into effect on September 1, 2020. The new amendment raises the penalties for imported solid waste and transboundary movements of hazardous waste, and also raises the penalty for smuggling of waste by

five times, setting a new ceiling of \$ 700,000.00, and specifies that the Carriers are jointly and severally liable for the return and disposal of solid waste.

On November 25, 2020, in accordance with *the Law*, the Ministry of Ecology and Environment issued *the Announcement on Matters Relating to the Total Ban on Imported Solid Waste*, prohibiting the import of solid waste by any means. Once the Announcement was released, it caused heated discussion in related industries. We have also received several inquiries from the Club and Members regarding the disposal of solid waste.

The Standard of Recycling Iron-Steel Materials (GB/T39733-2020)

On December 14, 2020, the recommended national standard of recycling Iron-steel materials (GB/T39733-2020) was approved to release by the State Administration for Market Regulation (China National Standardization Management Committee), which was formally implemented on January 1, 2021. According to the new standards, “steel scrap” that meets the criteria can be identified as “Recycling Iron-Steel Materials”.

To improve the import management of Recycling Iron-Steel Materials, the Ministry of Ecology and Environment and other relative departments jointly issued *the Announcement on Matters Related to the Standardization of the Import Management of Recycling Iron-steel Materials* (Announcement 2020 No. 78) on December 30, 2020. It is stipulated that from January 1, 2021, recycled steel raw materials that meet the national standard (GB/T39733-2020) are not solid waste and can be imported freely.

In accordance with the relevant standard, which is called “Recycling Iron-steel Materials Standard” (GB/T39733-2020), the “recycling Iron-steel materials” are divided into 7 Items and 18 Codes according to their physical and chemical properties. Each Code corresponds to its physical specifications, sources, and processing methods. Detailed descriptions of the classification, processing methods, technical requirements, inspection methods, and acceptance rules of recycled iron and steel raw materials can be found on the National Standard Information Public Service Platform (website: <http://std.samr.gov.cn/>). The following are the Items, Marks, and Codes of recycling Iron-steel materials.

Table 1: Item and Code of Recycling Iron-Steel Materials

Item	Abbr.	Mark	Code	Typical Picture of Recycling Steel Raw Materials	Inclusion Requirement / % Not more than	TFe Content / % Not less than
Heavy Recycling Iron-Steel Materials	HRS	101	HRS101		0.8	93.0
		102	HRS102		0.3	
Medium Recycling Iron-Steel Materials	MRS	201	MRS201		0.8	93.0
		202	MRS202		0.3	
Little Recycling Iron-Steel Materials	LRS	301	LRS301		0.8	92.0
		302	LRS302		0.3	
		303	LRS303		0.3	

Shredded Recycling Iron-Steel Materials	SRS	401	SRS401		1.0	92.0
		402	SRS402		1.0	
		403	SRS403		1.0	
Bundled Recycling Iron-Steel Materials	BRS	501	BRS501		0.3	93.0
		502	BRS502		0.8	
		503	BRS503		0.3	
Alloy Recycling Iron-Steel Materials	ARS	601	ARS601		0.3	—
		602	ARS602		0.3	
		603	ARS603		0.3	
Cast Recycling Iron-Steel Materials	CRS	701	CRS701		0.8	92.0
		702	CRS702		0.3	

The Code does not directly correspond to the commodity code classified by component content. Therefore, the importer is required to fully understand the physical and chemical properties of the goods before import, and fill in the

corresponding information truthfully. Many references are provided in the typical examples of raw material sources, where the corresponding Codes can be found directly, for example:

Table 2: Classification Standard of Recycling Iron-Steel Materials

Item	Code	Specification	Sources of Recycling Iron-Steel Materials & Typical Examples		Main Processing Way
			General Sources	Typical Examples	
Heavy Recycling Iron-Steel Materials	HRS101	1.Specification: Solid bodies with thickness $\geq 6.0\text{mm}$ or diameter $\geq 10\text{mm}$, length $\leq 1500\text{mm}$, width $\leq 600\text{mm}$.	Referring to solid bodies with a thickness of more than 6mm or a diameter of more than 10mm, which are decommissioned steel products after a certain number of years of use. 1.All kinds of scrapped large equipments 2.Railway scrapped equipment materials 3.All kinds of scrapped large steel structures 4.All kinds of large scrapped vessels, etc	1.Large machine tools, industrial and mining machinery, etc. 2.All kinds of large spare parts, steel castings, etc. 3.Railway components, such as steel rail, wheel, axle, carriage, guide rail and etc. 4.All kinds of steel structure, steel pipe, section, sheets and various old steel 5.All kinds of old steel plates, sections, pipes and machine parts, which are produced by ship dismantling	Sorting Dismantling Cutting
	HRS102	2. Single weighing 1500 kg or less	Referring to solid bodies with a thickness of more than 6mm or diameter of more than 10mm. Remainder or tailings produced during the process of production. 1.Cutting heads and tails, defective products and second-grade products produced in the production process of steel and iron 2.Remainder or tailings produced during the processing of various steel products	1. Cutting heads and tails of ingot or billet 2. Defective steel billets 3. Cutting head and tail of steel plate rolling; 4. Residual materials and tailings produced during the processing of all kinds of steel products (section steel, round steel, angle steel, steel plate, etc.) 5. Remainder or tailings produced after stamping of steel plates	Sorting Cutting

Suggestions

In accordance with the provisions of the Notice on Matters Relating to the Regulation of the Import of Recycled Iron and Steel Raw Materials, recycled iron and steel raw materials, including scrap, that meet the national standards for recycled iron and steel (GB/T39733-2020) are free for import.

If Members are in doubt about the description of the cargo to be shipped, we recommend asking the shipper to submit a certificate of cargo quality or other similar documents issued by a professional body. In addition, Members can consult the local agent for the classification standard of the relevant cargo and the official name of the cargo to determine in advance whether the cargo is solid waste or recycled steel materials. Likewise, Members are suggested to contact us in advance if there are any questions about the classification standard of steel scrap or recycling Iron-steel materials so as to properly dispose the goods in a timely manner.

We are always here to be of assistance to the Clubs and their Members.

Best regards,



LUO Yong
General Manager