Presentation Outline

I. Strategic Trade Control in Hong Kong
II. The U.S.’ new rule – Implication on Hong Kong’s strategic trade control system
III. What should I do to comply with the U.S.’ new support documentation requirements?
Strategic Trade Control in Hong Kong
Objectives and Commitment

Objectives

- Prevent Hong Kong from being used as a conduit for proliferation
- Secure continued access to high technology for maintaining Hong Kong’s role as a regional centre of trade, finance, banking, logistics and telecommunications

Commitment

- Hong Kong complies with international standards of control on strategic commodities
Legal Basis of Control

Import & Export Ordinance
Control List

- Following the controls of international regimes
- Part of the Law
Schedule 1: Control list for munitions and dual-use goods
Schedule 2: Control list for articles-in-transit
Schedules 3 & 4: End-use control for items known or suspected to be used in connection with chemical, biological or nuclear weapons.
Licensing – Stringent and Comprehensive Requirements

Export
Import
Articles in transit
Transshipment

Pre-shipment and consignment-based comprehensive licensing system
Licensing – Catch-all Control

- Implement WMD catch-all control
- Control goods and equipment known or suspected to be used in connection with nuclear, chemical or biological weapons and related activities
Licensing – No Undercutting Principle

- Not to undercut the control systems of our trading partners
- No re-export unless authorised by originating country
- Guarding against unauthorised diversion
The U.S.’ new rule – Implication on Hong Kong’s strategic trade control System
No Change in Hong Kong Licensing System
➢ Traders must obtain valid licences from TID before shipment for import or export of strategic commodities

➢ Importers should present to carriers valid import licences before taking delivery of the goods from the carriers

➢ Exporters should deliver valid export licences to carriers before export of the goods

➢ Traders should ensure that the goods to be imported/exported are the same as those declared on the import/export licences
What should I do to comply with the U.S.’ new support documentation requirements?
Exports and re-exports of U.S.-origin items to Hong Kong:
The U.S. exporters and re-exporters

Re-exports of U.S.-origin items from Hong Kong:
The re-exporters in Hong Kong
Prior to exports or re-exports:

- a copy of a valid Hong Kong import/export licence; or

- a copy of a written statement issued by the HKSARG stating that such a licence is not required
According to the rule, a written statement issued by the HKSARG:

- a written communication to a licence applicant informing the applicant that the item does not require a licence; or

- a statement available to the general public (including a statement on a website by the HKSARG) that a licence is not required for the item
Check Control Status of Specified Products

https://www.stc.tid.gov.hk/service/productSearch.do?locale=eng&text=0
Statement of “No Licence Required” from STC website

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<tr>
<th>Brand Name</th>
<th>Model No</th>
<th>Product Description</th>
<th>Controlled Category</th>
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Pre-Classification Service

✓ Free

✓ Know whether the product is a strategic commodity
"No Licence Required" Notification

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION
Import and Export Ordinance, (Cap. 60)
Import and Export (Strategic Commodities) Regulations

"NO LICENCE REQUIRED" NOTIFICATION

<table>
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<td>04777777</td>
<td>01-MAR-2004</td>
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Notification No. : NL49999998

Based on information provided on the export licence application quoted under the above Application Reference No., no licence is required under the Import and Export (Strategic Commodities) Regulations for the shipment concerned (details of which is repeated below) provided that the commodities are not for a use in relation to nuclear, biological or chemical weapons or missile capable of delivering these weapons.

The commodities may, however, be subject to licensing/permit requirements as stipulated in other ordinances/regulations under the Laws of Hong Kong (Note).

(A) EXPORTER
Name and Address : ABC TECHNOLOGY CO LTD
2 & 3/F QUENSWAY INDUSTRIAL BUILDING, 330 CHAIWAN ROAD, CHAIWAN, HONG KONG ISLAND, HONG KONG SPECIAL ADMINISTRATIVE REGION
Business Registration No. : 23456789-000
Tel No. : (852)-25012346
Fax No. : (852)-25012345

(B) CONSIGNEE
Name and Address : S & T CO LTD
14 HE PING ROAD, BEIJING, THE MAINLAND OF CHINA
Tel No. : (86)-10-66665555
Fax No. : (86)-10-66665553

(C) END-USER
(i) Name and Address : S & T CO LTD
14 HE PING ROAD, BEIJING, THE MAINLAND OF CHINA
Tel No. : (86)-10-66665555
Fax No. : (86)-10-66665553

(D) SHIPMENT DETAILS
Destination : THE MAINLAND OF CHINA
Departure Date : 15-MAR-2004
Vessel/Flight/ Vehicle No. : ISY OCEAN ZI15800
Marks and Nos. / Container No. : XYZ / C No. 1-20
No. and Kind of Packages : 1 CARTON
Guidance Note on Import and Export of Strategic Commodities
Strategic Commodities Control System Website

- Licence application and relevant procedures
- Check licence application status
- Control list and control status of the products
- Latest circulars on regulations and services
- Trade sanctions information
- Download forms

www.stc.tid.gov.hk
Licensing Enquiry: 2398 5575

Classification Enquiry: 2398 5587

Email: stc@tid.gov.hk