



**Import and Export
(Strategic Commodities)
Regulations
(Amendment of Schedule 1)
Order 2017**

Agenda

- Introduction to the Regulations
- Amendment of Schedule 1 in 2017
- Questions and Answers



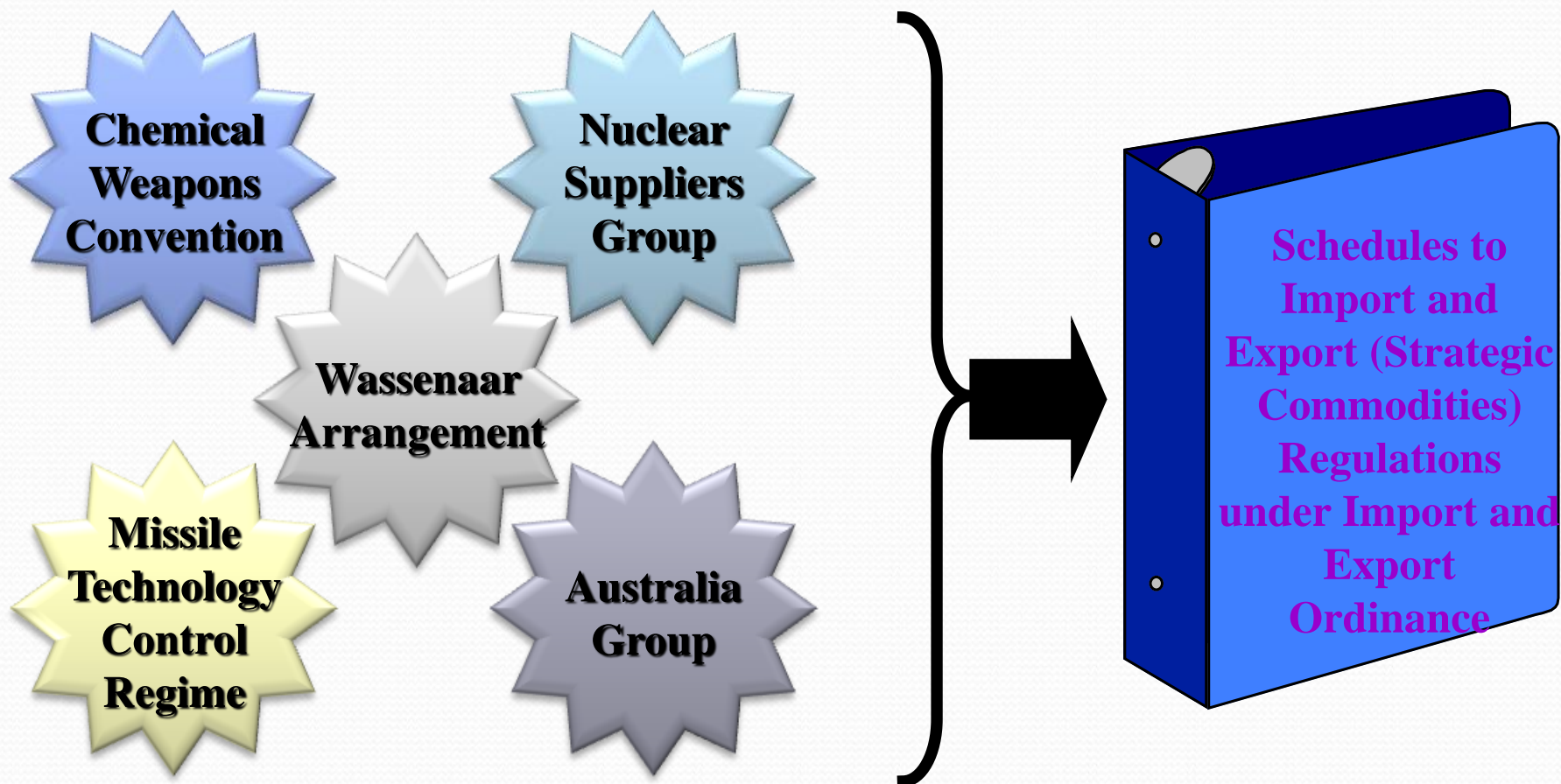
Introduction to the Regulations

The Regulations

Cap 60 - Import and Export Ordinance, Laws of Hong Kong

- Cap 60G - Import and Export (Strategic Commodities) Regulations
 - Schedule 1 – Strategic Commodities
 - Schedule 2
 - Schedule 3
 - Schedule 4

Origins of the Control List



Structure of the Control List

- Munitions List (ML1 – ML22)
- Dual-Use Goods List (Cat 0 – Cat 9)

Structure of the Control List

Munitions List

- 22 types (ML1 – ML22)
- Small arms & light weapons
- Military ground vehicles
- Military vessels (surface or underwater)
- Military aircraft / Unmanned aerial vehicle
- Military electronic equipment

Structure of the Regulations

Dual-Use Goods List

- Cat 0 - Nuclear materials, facilities and equipment
- Cat 1 - Special materials and related equipment
- Cat 2 - Materials processing
- Cat 3 - Electronics
- Cat 4 - Computers
- Cat 5 - Telecommunications and information security
- Cat 6 - Sensors and lasers
- Cat 7 - Navigation and avionics
- Cat 8 - Marine
- Cat 9 - Aerospace and propulsion

Control Code

Example: 3A001

Cat Type | Grouping | Control Regimes

Cat 0 - 9 | A,B,C,D,E | WA,MTCR,NSG,AG,CWC

Cat 0 - Nuclear Materials, Facilities and Equipment

Cat 1 - Special Materials and Related Equipment

Cat 2 - Materials Processing

Cat 3 - Electronics

Cat 4 - Computers

Cat 5 - Telecommunications and Information Security

Cat 6 - Sensors and Lasers

Cat 7 - Navigation and Avionics

Cat 8 - Marine

Cat 9 - Aerospace and Propulsion

A - Systems, Equipment & Components

B - Test, Inspection & Production Equipment

C - Materials

D - Software

E - Technology

0xx - WA

1xx - MTCR

2xx - NSG

3xx - AG

4xx - CWC

- **The Regulations**

<https://www.elegislation.gov.hk/hk/cap60G!en>

- **The Control Status of products**

<https://www.stc.tid.gov.hk/service/productSearch.do?locale=eng&text=o>

Pre-classification

- Advise whether a specific product is a strategic commodity in accordance with the Regulations and technical details of the products.

Pre-classification

- General Requirements
 1. Application form SC013 – basic product information.
 2. Copy of BRC or HKID.
 3. Product specifications issued by the manufacturer.
 4. Technical questionnaires (e.g. SC037 for encryption products and SC051 for machine tools).
 5. 100% chemical composition for chemical products.
 6. Manufacturer's letter to clarify technical details if necessary.



Amendment of Schedule 1 in 2017

Strategic Trade Controls Circular No. 5/2017
Amendment of Schedule 1 to the Import and Export
(Strategic Commodities) Regulations

http://www.stc.tid.gov.hk/english/circular_pub/2017_stc05.html

A summary of the major revisions covered by the Order

http://www.stc.tid.gov.hk/english/circular_pub/files/2017.pdf

Legal Supplement No.2 of the Gazette published on 24
March 2017 (No. 12, Vol. 21)

<http://www.gld.gov.hk/egazette/pdf/20172112/es22017211242.pdf>

Category 3 – Electronics

- 3A001(a)(7)
Relax the control of certain
Field Programmable Logic Devices

Category 3 – Electronics

3A001(a)(7)(a)

Existing

Field programmable logic devices having a maximum number of single-ended digital input/outputs of **500 or greater**.

Revised

Field programmable logic devices having a maximum number of single-ended digital input/outputs of **greater than 700**.

Category 3 – Electronics

3A001(a)(7)(b)

Existing

Field programmable logic devices having an aggregate one-way peak serial transceiver data rate of **200** Gb/s or greater.

Revised

Field programmable logic devices having an aggregate one-way peak serial transceiver data rate of **500** Gb/s or greater.

Category 3 – Electronics

- 3A229

Add the control of certain micro-firing sets

- Micro-firing units having all the following characteristics:

- (1) No dimension greater than 35 mm;

- (2) Voltage rating of equal to or greater than 1 kV;

- (3) Capacitance of equal to or greater than 100 nF.

Category 3 – Electronics

- 3A234

Add the control of certain striplines

- Striplines to provide low inductance path to detonators with the following characteristics:
 - (1) Voltage rating greater than 2 kV;
 - (2) Inductance of less than 20 nH.

Category 3 – Electronics

- 3D225 & 3E225

Add the control of software and technology capable of releasing constraints of frequency changers.

- 3D225

Software specially designed to enhance or release the performance of frequency changers or generators to meet the characteristics of 3A225.

- 3E225

Technology, in the form of codes or keys, to enhance or release the performance of frequency changers or generators to meet the characteristics of 3A225.

Category 4 – Computers

- 4D001(b)(1) & 4E001(b)(1)

Relax the control of software and technology specially designed or modified for the development or production of digital computers having specified performance level.

- 4D002

Remove the control of software specially designed or modified to support technology controlled under 4E.

Existing

- 4D001 (b) Software, other than that controlled by 4D001(a), specially designed or modified for the development or production of:
- (1) Digital computers having an Adjusted Peak Performance (APP) exceeding 0.6 Weighted TeraFLOPS (WT); or
 - (2) ...

Revised

- 4D001 (b) Software, other than that controlled by 4D001(a), specially designed or modified for the development or production of:
- (1) Digital computers having an Adjusted Peak Performance (APP) exceeding 1.0 Weighted TeraFLOPS (WT); or
 - (2) ...

Existing

- 4E001 (b) Technology, other than that controlled by 4E001(a), specially designed or modified for the development or production of:
- (1) Digital computers having an Adjusted Peak Performance (APP) exceeding 0.6 Weighted TeraFLOPS (WT); or
 - (2) ...

Revised

- 4E001 (b) Technology, other than that controlled by 4E001(a), specially designed or modified for the development or production of:
- (1) Digital computers having an Adjusted Peak Performance (APP) exceeding 1.0 Weighted TeraFLOPS (WT); or
 - (2) ...

Category 5 – Part 1

Telecommunications

- 5D001(b)

Remove the control of software specially designed or modified to support technology controlled by 5E001.

- 5E001(c)(1)

Relax the control of technology for the development or production of equipment employing digital techniques designed to operate at a certain digital transfer rate.

Existing

- 5E001 (c) Technology for the development or production of any of the following telecommunications transmission or switching equipment, functions or features:
- (1) Equipment employing digital techniques designed to operate at a total digital transfer rate exceeding 120 Gbit/s;
 - (2) ...

Revised

- 5E001 (c) Technology for the development or production of any of the following telecommunications transmission or switching equipment, functions or features:
- (1) Equipment employing digital techniques designed to operate at a total digital transfer rate exceeding 560 Gbit/s;
 - (2) ...

Category 5 – Part 2

Information Security

- 5A002 Note

5A002 does not include routers, switches or relays, as well as the general purpose computing equipment or servers, where the information security functionality is limited to the tasks of Operations, Administration or Maintenance (OAM) implementing only published or commercial cryptographic standards.

Note:

5A002 does not include any of the following:

...

- (l) Routers, switches or relays, where the information security functionality is limited to the tasks of Operations, Administration or Maintenance (OAM) implementing only published or commercial cryptographic standards;
- (m) General purpose computing equipment or servers, where the information security functionality meets all of the following descriptions:
 - (1) Uses only published or commercial cryptographic standards;
 - (2) Meets any of the following descriptions:
 - (a) Is integral to a CPU that meets the provisions of Note 3 in Category 5, Part 2;
 - (b) Is integral to an operating system that is not controlled by 5D002;
 - (c) Is limited to OAM of the equipment.

Operations, Administration or Maintenance (OAM)

Means performing one or more of the following tasks:

- (a) Establishing or managing any of the following:
 - (1) Accounts or privileges of users or administrators;
 - (2) Settings of an item;
 - (3) Authentication data in support of the tasks described in subparagraph (1) or (2);
- (b) Monitoring or managing the operating condition or performance of an item;
- (c) Managing logs or audit data in support of the tasks described in paragraph (a) or (b).

Note:

OAM does not include any of the following tasks or their associated key management functions:

- (a) Provisioning or upgrading any cryptographic functionality that is not directly related to establishing or managing authentication data in support of the tasks described in paragraph (a)(1) or (2) above;
- (b) Performing any cryptographic functionality on the forwarding or data plane of an item.

Category 5 – Part 2

Information Security

- 5D002(c)

Note:

5D002(c) does not apply to software limited to the tasks of OAM implementing only published or commercial cryptographic standards.

Category 0 – Nuclear Materials, Facilities, and Equipment

- 0A001(k)

Add the control of external thermal shields of nuclear reactor.

- 0B001(i)(4)

Remove the control of liquid metal handling systems specially designed or prepared for plasma separation process.

- 0B004(b)(9)

Add the control of ammonia synthesis converters or synthesis units specially designed or prepared for heavy water production utilising the ammonia-hydrogen exchange process.

Category 1 – Special Materials and Related Equipment

- 1B227

Remove the control of ammonia synthesis converters or ammonia synthesis units.

- 1B234

Add the control of high explosive containment vessels, chambers, containers and other similar containment devices designed for the testing of high explosives or explosive devices.

- 1C001 (b) Note

Relax the control of certain materials capable of absorbing electromagnetic waves when they are specially designed or formulated for laser marking of polymers and laser welding of polymers.

Category 1 – Special Materials and Related Equipment

- 1C001 (c) Note
Relax the control of intrinsically conductive polymeric materials when they are in liquid form.
- 1C002 (c)(2)(h)
Add the control of metal alloy powder or particulate material made in controlled plasma atomisation environment.
- 1C008 (b)
Remove the control of thermoplastic liquid crystal copolymers.
- 1C111 (a)(2)(b)
Add the control of boron powders.

Category 1 – Special Materials and Related Equipment

- 1C111(a)(6)
Add the control of certain replacement fuels for use in spacecraft propellants.
- 1C111(b)(6)
Add the control of certain polymeric substance.
- 1C241
Add the control of rhenium and related alloys.
- 1C354
Add the control of certain plant pathogens.
- 1E002(d)
Remove the control of technology for the production of aromatic polyamide fibres.

Category 2 – Materials Processing

- 2B001 Note 2(e)

Does not control special purpose machine tools limited to the manufacture of dental prostheses.

- 2B001

Relax the control of certain machine tools for turning and milling.

- 2B201(c)

Add the control of certain machine tools.

- 2B233

Add the control of bellow-sealed compressors and vacuum pumps.

Category 2 – Materials Processing

- 2B352(h)
Add the control of certain spray drying equipment.
- 2D003
Add the control of software relating to optical finishing equipment.

Category 6 – Sensors and Lasers

- 6A001(a)(2)(g)
Add the control of certain accelerometer-based hydro-acoustic sensors.
- 6A004(d)4
Remove the control of certain optical control equipment.
- 6A005(e)(3)
Add the control of certain fibre laser components.
- 6A205(g)
Add the control of carbon monoxide lasers.

Category 6 – Sensors and Lasers

- 6C005(b)
Remove the control of alexandrite.
- 6D003(d)
Add the control of software specially designed for certain optical control equipment.
- 6D203
Add the control of certain camera software.
- 6E203
Add the control of certain camera technology.

Category 7 – Navigation and Avionics

- 7D003(c)
Remove the control of certain integrated avionics systems source code.
- 7D005
Add the control of certain decrypt software.
- 7E004(b)(7) & 7E004(b)(8)
Add the control of technology required for deriving certain functional requirements for fly-by-wire systems.

Category 8 – Marine

- 8A001
Relax the control of certain surface vessels.
- 8A002
Relax the control of certain marine systems, equipment and components.
- 8E002(c)
Add the control of technology for the development or production of certain surface vessels.

Category 9 – Aerospace and Propulsion

- 9A004
Add the control details of certain spacecrafts.
- 9A106(e)
Add the control of combustion chambers and nozzles usable in missiles, space launch vehicles or sounding rockets.
- 9A112
Add the control of certain unmanned aerial vehicles.
- 9A121
Add the control of certain missile/rocket connectors.

Category 9 – Aerospace and Propulsion

- 9D005
Add the control of software specially designed or modified for the operation of certain spacecrafts.
- 9E003(j)
Add the control of technology for the development of wing-folding systems designed for certain aircrafts.



Questions and Answers