Overview of Hong Kong’s Strategic Trade Control System
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

- Schedules to Import and Export (Strategic Commodities) Regulations under Import and Export Ordinance

- 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

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 Frequently Asked Questions regarding the rule published by the US Government, a written statement issued by the HKSARG:

- a “No Licence Required” notification; or
- Information found on Hong Kong Trade and Industry Department’s website
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

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Model No</th>
<th>Product Description</th>
<th>Controlled Category</th>
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<tbody>
<tr>
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<td>21557B1IFFBG</td>
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Pre-Classification Service

✓ Free of Charge
✓ 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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<tr>
<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

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Business Registration No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC TECHNOLOGY CO LTD 2 &amp; 3/F QUEENSWAY INDUSTRIAL BUILDING, 330 CHAIWAN ROAD, CHAIWAN, HONG KONG ISLAND, HONG KONG SPECIAL ADMINISTRATIVE REGION</td>
<td>23456789-009</td>
</tr>
<tr>
<td>Tel No.: (852)-25012346</td>
<td></td>
</tr>
<tr>
<td>Fax No.: (852)-25012345</td>
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(B) CONSIGNEE

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<tr>
<th>Name and Address</th>
<th>Tel No.:</th>
<th>Fax No.:</th>
</tr>
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<tr>
<td>S &amp; T CO LTD 14 HE PING ROAD, BEIJING, THE MAINLAND OF CHINA</td>
<td>(86)-10-66665555</td>
<td>(86)-10-66665553</td>
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(C) END-USER

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<td>(86)-10-66665555</td>
<td>(86)-10-66665553</td>
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(D) SHIPMENT DETAILS

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<th>Destination</th>
<th>Departure Date</th>
<th>Vessel/Flight/ Vehicle No.</th>
<th>Marks and Nos. / Container No.</th>
<th>No. and Kind of Packages</th>
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<tr>
<td>THE MAINLAND OF CHINA</td>
<td>15-MAR-2004</td>
<td>BY OCEAN ZH5800</td>
<td>XYZ./CNo. 1-20</td>
<td>1 CARTON</td>
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(Note): SAMPLE
Hong Kong’s Strategic Trade Control System: At a Glance

Guidance Note on Import and Export of Strategic Commodities
Updated FAQs regarding the US final Rule

**Strategic Trade Controls Circular No. 3/2017 (Update)**

The U.S. Department of Commerce has further updated the Frequently Asked Questions (FAQs) regarding the final rule published in the U.S. Federal Register on the new support documentation requirements for exports or reexports of U.S.-origin items to Hong Kong and/or re-exports from Hong Kong (82 FR 8216). Q11 to Q15 are newly added, which provide additional information on the scope and implementation of the final rule. Please see the FAQs on the website of the U.S. Department of Commerce for details.

more >>
24 April 2017

**Hong Kong's Strategic Trade Control System: At a Glance**

- General
- Scope of Control
- Whether I need a Licence?
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
Thank you