

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

HONG KONG

Revision

The following notification has been received from the delegation of the United Kingdom on behalf of Hong Kong in response to the questionnaire on import licensing procedures annexed to document L/5106/Rev.1. The present revision replaces the data previously made available to contracting parties in document L/5109 and Corrs.1 and 2.

Outline of system

1. Hong Kong adopts an import licensing system where an applicant intending to import a commodity caught under import licensing control must lodge with the Trade Department of the Hong Kong Government an import licence application prior to the actual importation of the commodity concerned stating clearly:

- (a) the exporting country;
- (b) the country of origin of the commodity;
- (c) the name of the commodity (full technical description);
- (d) the quantity in kilograms, litres, cases, pieces, sets, etc.;
- (e) the value (declared c.i.f. Hong Kong) of the commodity;
- (f) the name and address of the foreign exporter;
- (g) whether the consignment is for local consumption or re-export;
- (h) the importer's name, signature, stamp, address, business registration number and telephone number;
- (i) the date of arrival of the goods.

If the application is approved, the import licence will be issued to the applicant duly signed by an authorized officer of the Trade Department. The import licence must be surrendered to the shipping, airline or transportation company carrying the commodity into Hong Kong. Unless the licence is so surrendered, the shipping, airline or transportation company will not release the commodity to the importer. The original copy of the import licence together with a copy of a manifest will then be returned to the Trade Department by the shipping, airline or transportation company concerned. The Department will match the original copy of the import licence with the manifest and the Department's copy of the licence to ascertain that the commodity had actually been imported in accordance with the details as declared on the licence.

Purposes and coverage of the licensing system

2. An import licensing system is maintained for the following products:

- (a) strategic commodities;
- (b) reserved commodities (rice, frozen meat and frozen poultry; consignments imported in the personal luggage of a person for his own consumption or as a gift, in an amount not exceeding 15 kg. are exempt from import licensing);

- (c) acetic acid;
 - (d) automatic machines, whether coin operated or not, designed for gaming purposes, including any part thereof;
 - (e) radioactive substances and irradiating apparatus;
 - (f) agricultural pesticides;
 - (g) pharmaceutical products and medicines (including vaccine);
 - (h) textiles.
3. (a) The system applies to the goods specified in paragraph 2 above originating in and coming from any territory.
- (b) In addition, all goods originating in and consigned from Argentina are subject to import licensing.
4. Import licensing is intended for the following purposes:
- (a) For strategic control purposes
 - (i) strategic commodities;
 - (b) For reasons of public health
 - (i) agricultural pesticides;
 - (ii) radioactive substances and irradiating apparatus;
 - (iii) pharmaceutical products and medicines (including vaccine)
 - (c) For protection of the public against vice
 - (i) automatic machines, whether coin operated or not, designed for gaming purposes
 - (d) For reserve stock purposes
 - (i) reserved commodities
 - (e) For suppression of the manufacture of dangerous drugs
 - (i) acetic acid
 - (f) For surveillance purposes
 - (i) textiles
5. Import licensing is maintained under the Import and Export Ordinance, Cap. 60 and the Reserved Commodities Ordinance, Cap. 296 of the Laws of Hong Kong. The licensing is statutorily required. The legislation does not leave designation of products to be subjected to licensing to administrative discretion. If an additional product is intended to be subjected to licensing, either existing legislation must be amended or new legislation must be promulgated to incorporate the new product. It is not possible for the Government to abolish the system without legislative approval. For the existing system to be abolished, present legislation must be repealed.

Procedures

6. Products except rice, for which a control scheme is in force (see paragraph 21), are not under restriction as to the quantity or value of imports.

7. (a) (i) Import licence applications, except in the case of textiles, should be submitted to the Trade Department at least four clear working days prior to the advertised time of arrival of the carrier concerned. Import licence applications are normally processed and the licences issued within twenty-four hours of the receipt of the application. It is possible for import licences to be obtained within a shorter time-limit for goods arriving without an import licence. However, due to the large number of import licence applications received daily, the Trade Department does not encourage this practice and would only issue import licences under such circumstances on an exceptional basis.
- (ii) In the case of textiles, there is no stipulation as to how far in advance of importation an import licence application must be made. Import licence applications are normally processed and the licences issued within two clear working days of the receipt of applications. It is possible for import licences to be obtained within a shorter time-limit.
- (b) (i) For products other than textiles, an import licence is granted immediately on request only under very exceptional circumstances.
- (ii) In respect of textiles, "instant service" is provided for applications which require to be processed and issued urgently.
- (c) There are no limitations as to the time of the year during which applications for import licences and/or importation may be made.
- (d) (1) Consideration of import licence applications for the following items is effected by a single administrative organ, i.e., the Trade Department:
- (i) strategic commodities;
- (ii) reserved commodities;
- (iii) textiles.

- (d) (2) Importers who wish to import the following items must first obtain approval from another government department before submitting applications for import licences:

<u>Item</u>	<u>Relevant department</u>
(i) Arms and ammunition (strategic commodities)	Royal Hong Kong Police Force
(ii) Telecommunications equipment (strategic commodities)	Post Office
(iii) Explosives (strategic commodities)	Mines Division, Labour Department
(iv) Automatic machines, whether coin operated or not, designed for gaming purposes	Television and Entertainment Licensing Authority
(v) Radioactive substances and irradiating apparatus	Medical and Health Department (Radiation Board), Labour Department for irradiating apparatus for industrial use.

- (d) (3) Importers who wish to import the following items must submit their applications for import licences to another government department for prior endorsement indicating that there is no objection to the items being imported:

<u>Item</u>	<u>Prior endorsement required from</u>
(i) Agricultural pesticides	Agriculture and Fisheries Department
(ii) Acetic acid	Fire Services Department
(iii) Pharmaceutical products and medicines (including vaccine)	Medical and Health Department (Pharmacy and Poisons Board)

After the applications have been endorsed by the department concerned the applicants submit them to the Trade Department for the import licences to be issued.

8. Under normal circumstances, an application for an import licence is usually granted if it meets the ordinary criteria. In the event of refusal, the reasons are generally given on request. Applicants may appeal to the Governor of Hong Kong in the event of refusal to issue an import licence. The Governor of Hong Kong may confirm, vary or reverse the decision of the Director of Trade. The right to appeal to the Governor is statutorily provided.

Eligibility of importers to apply for licence

9. All persons, firms and institutions are eligible to apply for import licences in respect of most of the products listed in paragraph 2 above. In the case of rice, frozen meat and frozen poultry, licences covering imports for local consumption are issued only to importers registered with the Trade department.

Documentation and other requirements for application for licence

10. The information listed in paragraph 1 above is required when submitting an import licence applications.

11. Apart from an import licence no other document is required upon actual importation.

12. No licensing fee is charged. Import licence forms however can be purchased from the Government at the cost of HKD5.00 (US\$0.75) (for textiles) or HKD7.50 (US\$1.10) (for other licensable goods) per pad of twenty sets.

13. There is no deposit or advance payment requirement associated with the issue of import licences.

Conditions of licensing

14. An import licence is valid for twenty-eight days for textiles, six weeks for reserved commodities and six months for the other products listed in paragraph 2 above. The period of validity for products other than textiles can be extended to double the above limits if the applicant writes to the Trade Department and obtains approval from the Director of Trade or any authorized officer. But for textiles, the period of extension permitted depends on the merits of individual requests.

15. No penalty is imposed for the non-utilization of an import licence or a portion of an import licence.

16. Import licences are not transferable between importers.

17. Other conditions may be attached to the issue of an import licence. They vary in respect of different commodities. The following conditions are more commonly imposed:

- (a) In respect of some commodities imported for use in Hong Kong, the following conditions may be attached to the issue of the import licence: "For use in Hong Kong. Diversion en route prohibited. Re-export not permitted except under special licence."
- (b) In respect of some commodities imported for re-export purposes only, the following conditions may be attached to the issue of the import licence: "For re-export to (name and destination). Diversion en route prohibited. To be delivered by importer to designated/private godown. Overside delivery not permitted. Release from godown subject to approval of export licence."
- (c) The importer may be required to report to the Director of Trade in writing, the name of the carrying vessel and its arrival date in Hong Kong; at least four days before the arrival of the goods covered by the import licence.
- (d) The importer may be required to store the goods in a government-approved godown immediately upon importation, and no deliveries may be made except with the permission in writing of the Director of Trade.

Other procedural requirements

18. Other than the procedures described above, there is no other administrative procedures prior to importation.

19. There is no official exchange control in Hong Kong. Payment for imports can be made freely in any kind of international currency obtained on the local market.

Import declaration

20. Apart from certain exempted articles, an importer must lodge with the Customs and Excise Department an import declaration in respect of any article within fourteen days after importation of the article. This is required for the purpose of compiling statistics on Hong Kong's commodity trade. A charge is payable on each declaration. The rate is HKD2 (US\$0.30) for food and live animals irrespective of the value of the articles specified in the declaration. In the case of any other declaration, a charge of HKD2 is made where the value of the article does not exceed HKD4,000; where the value exceeds HKD4,000, the charge is calculated at the rate of HKD2 in respect of the first HKD4,000 value and HKD0.50 in respect of each additional HKD1,000 value or part thereof. A list of articles exempted from the import declaration requirement is shown in Appendix I.

Rice import control scheme

21. The import of rice in Hong Kong is subject to a quota system operated by the Trade Department. Fifteen days or so before the commencement of each quarterly period, the overall amount of quota allocated to rice importers registered with the Trade Department is published in the press. Circular letters are sent to each individual importer informing him of his allocation. Since the formalities of filing import licence applications are well known to the trade, they are not given publicity through the press. The import quota for rice may be used for importing rice from all sources, and is not allocated on a country basis. Import licences are accordingly issued only to the registered rice importers, none of whom is a domestic producer of rice. After the announcement of the rice quota, applications for import licences may be submitted immediately until the applicant's quota allocation for the quarter is fully utilized. Manifest checking (see paragraph 1 above) is adopted to ascertain whether import licences granted are actually used for import. Technically, quarterly quota allocations should be fully utilized within the quarter, but a slight extension may be permitted if there are unforeseen difficulties. The names of importers to whom import licences have been granted may be made known to the governments and export promotion bodies of exporting countries upon request.

22. All persons, firms and institutions may apply for import licences to re-export rice. In the case of registered rice importers, the rice imported for re-export is not deducted but the import licence is issued with the condition that the rice will be re-exported from Hong Kong and not sold in the domestic market. Checks will be made to ensure that the quantity and type of rice re-exported are the same as that imported.

Other import licensing arrangements

23. Certain items not listed as subject to import licensing control by the Trade Department are subject to import control by other departments of the Hong Kong Government, in each case maintained as a statutory requirement. These include:

- (a) Dangerous drugs, by the Medical and Health Department. Imports must be covered by import licences which are issued to authorized dealers only. Purpose: protection of public health. Maintained under Section 4, Dangerous Drugs Ordinance, Cap. 134.
- (b) Radio transmitting equipment, by the Post Office. Imports must be covered by import permits issued by the Telecommunications Branch. Purpose: to

control the use of telecommunications services and telecommunication apparatus and equipment. Maintained under Section 9, Telecommunication Ordinance, Cap. 106.

- (c) Arms and ammunition, by the Royal Hong Kong Police Force. Every importer of arms or ammunition must obtain a licence annually from the Commissioner of Police. Purpose: enforcement of law and order. Maintained under Section 27, Firearms and Ammunition Ordinance 1981.
- (d) Dogs and cats, by the Agriculture and Fisheries Department. Permits are required before importation, supported by certificates of health and isolation depending on country from which imported. Purpose: to regulate the keeping and control of dogs and cats and to provide for the suppression of rabies. Maintained under Regulation 12, Dogs and Cats Regulation, Cap. 167.
- (e) Animals, birds, reptiles and their carcasses, by the Agriculture and Fisheries Department. A special permit is required before importation. Purpose: to prevent introduction of infectious diseases. Maintained under Reg. 1, 3, 4(1) and 10(1) of the Public Health (Animals and Birds) Ordinance, Cap. 139.
- (f) Plants, plant pest and soil from other countries, by the Agriculture and Fisheries Department. Licences are required for import of specified plants, supported by phytosanitary certificates. Purpose: prevention of spread of plant pests. Maintained under Section 4, 7 and 8 of Plant (Importation and Pest Control) Ordinance, Cap. 207.
- (g) Animals and plants of endangered species, and parts thereof, by the Agriculture and Fisheries Department. Licences are required for import of specified species and animal parts and derivatives. Purpose: to conform with the requirements of the 1973 Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora. Maintained under Section 4, Animals and Plants (Protection of Endangered Species) Ordinance, Cap. 187.
- (h) Any artificial sweetener or food containing artificial sweetener (other than saccharin, saccharin sodium and saccharin calcium), by the Urban Services Department. Import of artificial sweetener for human consumption is prohibited. Purpose: protection of public health. Maintained under Regulation 3, Food Adulteration (Artificial Sweeteners) Regulations, Cap. 132.

- (i) Sand, by the Engineering Development Department. Import permit required. Purpose: to regulate importation. Maintained under Section 3, Sand Ordinance, Cap. 147.
- (j) Dutiable commodities (tobacco, liquor, methyl alcohol and hydrocarbon oils), by the Customs and Excise Department. Importers and dealers must be licensed and removal permits are required. Purpose: to collect import duty. Maintained under Dutiable Commodities Ordinance, Cap. 109.
- (k) Acetylating substances, by the Customs and Excise Department. Dealer's licence required. Purpose: to suppress the manufacture of dangerous drugs. Maintained under Acetylating Substances (Control) Ordinance, Cap. 145.

APPENDIX

Articles Exempted from Import Declaration Requirements

- (a) Trans-shipment cargo.
- (b) Transit cargo (articles destined for a place other than Hong Kong and passing through Hong Kong on the same ship or aircraft without trans-shipment).
- (c) Articles imported by the Government or the armed forces of the Crown.
- (d) Ships' stores including bunker fuel, for use by or consumption on board the vessel on which the stores are carried.
- (e) Aircraft stores including aviation fuel carried in the tanks of an aircraft, for use by that aircraft.
- (f) Personal baggage, which does not include motor vehicles.
- (g) Any postal packets the contents of which are valued at less than HKD4,000 (US\$600).
- (h) Advertising materials or samples which are marked clearly as such and supplied free of charge, and samples valued at less than HKD500 (US\$75) used for the purpose of advertising.
- (i) Articles imported solely for exhibition and to be exported after exhibition.
- (j) Articles imported after having been exported for exhibition.
- (k) Articles imported under and in accordance with an A.T.A. Carnet.
- (l) Marine fish or other similar edible products arriving direct from fishing grounds on fishing craft registered or licensed in Hong Kong.
- (m) Gifts of a personal nature where no payment is or is to be made by the receiver.
- (n) Used empty freight containers and the like which are regularly imported and exported and used solely for the carriage of articles which are imported or exported.
- (o) Any aircraft part or accessory imported by an air transport undertaking operating air services on international routes, the principal place of business of which is situated outside Hong Kong, for the purpose of being:

- (i) used in the repair or maintenance of aircraft owned or chartered by such undertaking or operated by it on any international air route; or
 - (ii) given in non-profitable exchange for any other aircraft part or accessory to any other similar air transport undertaking for a similar use.
- (p) Any article imported by a transport undertaking operating sea or air freight transport services on international routes, the principal place of business of which is situated outside Hong Kong, for the purpose of being used in the repair and maintenance of freight containers operated by that undertaking in the transport of goods by sea or air on its international routes.