

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5640/Add.4/Rev.1

4 September 1985

Limited Distribution

Original: English

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 L/5640. The present document replaces the information previously contained in document L/5109/Rev.1 of 18 February 1983, as amended by L/5640/Add.4 of 3 October 1984 and by L/5640/Add.4/Corr.1 of 18 February 1985.

Outline of system

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 carrier copy of 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 carrier 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 carrier 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) radioactive substances and irradiating apparatus;
- (d) agricultural pesticides;
- (e) pharmaceutical products and medicines;
- (f) textiles.

3. The system applies to the goods specified in paragraph 2 above originating in and coming from any territory.

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.
- (c) For reserve stock purposes
 - (i) reserved commodities
- (d) For surveillance purposes
 - (i) textiles

5. Import licensing is a statutory requirement maintained under the Import and Export Ordinance, Cap. 60 and the Reserved Commodities Ordinance, Cap. 296 of the Laws of Hong Kong. The legislation does not leave designation of products to be subjected to licensing to administrative discretion. Any changes such as subjecting a new product to import licensing or removal of an existing product therefrom require legislative approval.

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) Products subject to licensing cannot be imported into Hong Kong without a licence. Prior to the arrival of the goods in Hong Kong, an import licence should be obtained from the Trade Department. Import licences are normally issued within one clear working day for non-textile products and within two clear working days for textile products after receipt of the licence applications. Under certain circumstances, 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) reserved commodities;
- (ii) textiles;
- (iii) strategic commodities (where necessary, licence applications covering imports of electronic equipment (including communications and radar) and scientific instruments and apparatus are first submitted to the Telecommunications Branch of the General Post Office for a decision as to whether the commodity is a strategic one).
- (2) Importers who wish to import the following items must submit their licence applications 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)	Pharmaceutical products and medicines	Pharmacy and Poisons Board chaired by the Director of Medical and Health Services
(iii)	Explosives (strategic commodities)	Mines Division, Labour Department

After the applications have been endorsed by the departments concerned, the applicants will submit them to the Trade Department for processing and issue.

- (3) Licence applications covering imports of the following items are issued only to those importers in possession of certain valid documents issued by other government departments:

	<u>Item</u>	<u>Document</u>
(i)	Arms and ammunition (strategic commodities)	dealer's licence or limited licence for possession issued by the Royal Hong Kong Police Force
(ii)	Radioactive substances and irradiating apparatus	radioactive substances licence and irradiating apparatus licence issued by the Radiation Board chaired by the Director of Medical and Health Services

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 will be given. 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.

Elegibility 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 application.

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

12. Except for textile import licence for which a fee of HK\$20.00 (US\$2.60) per application is charged, no licensing fee for other types of import licence applications is required. Import licence forms however can be purchased from the Government at the cost of HK\$12.00 (US\$1.54) (for textiles) or HK\$15.00 (US\$1.92) (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 maybe 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 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 HK\$2 (US\$0.26) 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 HK\$2 is made where the value of the articles does not exceed HK\$4,000; where the value exceeds HK\$4,000, the charge is calculated at the rate of HK\$2 in respect of the first HK\$4,000 value and HK\$0.50 in respect of each additional HK\$1,000 value or part thereof. A list of articles exempted from the import declaration requirement is shown in the Appendix.

Rice import control scheme

21. The import of rice into Hong Kong for local consumption is subject to a control scheme under which only 45 registered importers are given the exclusive right to import rice under 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, non 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 from the quota 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 endure 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, Cap. 238.

- (d) Dogs and cats, by the Agriculture and Fisheries Department. Permits are required before importation, supported by certificates of health and isolation etc. depending on country from which imported. Dogs and cats from most countries are subject to six months quarantine. Purpose : for rabies prevention and control, and to regulate the keeping and control of dogs and cats. Maintained under Regulation 12, Dogs & Cats Regulations, Cap. 167.
- (e) Mammals, birds, reptiles and their carcasses, by the Agriculture and Fisheries Department. A special permit is required before importation. The special permit must be obtained beforehand for both permanent arrivals and temporary (e.g. transshipment) arrivals. The terms (requirements) stated on the special permit must be complied with in full. Purpose : to prevent the introduction of infectious disease. Maintained under Reg. 1, 3, 4(1) and 10(1) of the Public Health (Animals & Birds) Regulations, Cap. 139.
- (f) Plants, plant pests and soil, by the Agriculture and Fisheries Department. Licences are required for import of plants, supported by phytosanitary certificates. Prior authorizations are required for import of plant pests or soil. Purpose : to prevent the introduction and spread of plant pests. Maintained under Section 4, 7 and 8 of the Plant (Importation & Pest Control) Ordinance, Cap. 207.
- (g) Animals and plants of endangered species, and their parts and derivatives, by the Agriculture and Fisheries Department. Licences are required before importation, supported by CITES Export Permits. Purpose : to conform with the requirements of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES or Washington Convention). 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, saccharin calcium and aspartame), by the Municipal Services Branch. Import for human consumption of any other artificial sweetener, or food containing any other artificial sweetener 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 permits required. Purpose : to regulate importation. Maintained under Section 3, Sand Ordinance, Cap. 147.

- (j) Dutiable commodities (tobacco, liquor, methyl alcohol, hydrocarbon oils, cosmetics, non-alcoholic beverages and concentrates), by the Customs and Excise Department. Importers and dealers (except dealers in cosmetics, non-alcoholic beverages and concentrates) must be licenses and removal permits are required. Purpose : to collect duty. Maintained under Dutiable Commodities Ordinance, Cap. 109.
- (k) Acetylating substances, by the Customs and Excise Department. Importers and dealers must be licenses and removal permits are required. Purpose : to suppress the manufacture of dangerous drugs. Maintained under Acetylating Substances (Control) Ordinance, Cap. 145.
- (l) Safety cartridges of industrial fastening tools, by Mines Division, Labour Department. For a quantity exceeding 5,000 rounds in the aggregate or 5 kg. of explosive content, a removal permit is required. Purpose : to ensure security and safety of the cartridges in conveyance within Hong Kong. Maintained under Reg. 4, Dangerous Goods (General) Regulations. Cap. 295.

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\$513).
- (h) Advertising materials or samples which are marked clearly as such and supplied free of charge, and samples valued at less than HKD1,000 (US\$128) 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) Articles imported solely for use in a sports competition and to be exported after the competition.
- (m) Articles imported after having been exported for use in a sports competition.
- (n) Marine fish or other similar edible products arriving direct from fishing grounds on fishing craft registered or licensed in Hong Kong.
- (o) Gifts of a personal nature where no payment is or is to be made by the receiver.
- (p) 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.
- (q) 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.
- (r) 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.