



Hong Kong Export Control Fact Sheet

On September 23, 2009, LTI's Ingrid Lombardo received a briefing from the Hong Kong Trade and Industry Department (TID), which is responsible for administering strategic trade in Hong Kong, on recent developments in their export controls. The highlights from the briefing are as follows:

On Structure

- The Hong Kong export control system functions autonomously from that of Mainland China.
- The legal basis for Hong Kong's export controls and licensing requirements are the Export (Strategic Commodities) Regulations under the Import and Export Ordinance, Chapter 60, Laws of Hong Kong.

On Transparency

- The Hong Kong Strategic Control System (SCS) prides itself on efficiency and transparency.
- Hong Kong is not a member of the multi-later export control regimes, but its control lists (Schedules) encompass the control lists of the Wassenaar Arrangement, Nuclear Non-Proliferation Treaty, Nuclear Suppliers Group, Zangger Committee, Missile Technology Control Regime, Australia Group, and the Chemical Weapons Convention.
- Hong Kong's Munitions List and Dual-Use Goods List are easily accessible in English on the Strategic Commodities Control System website at http://www.stc.tid.gov.hk/english/checkprod/sc_control.html.
- The TID also issues a comprehensive overview of their export control system in Strategic Trade Controls Circular No. 7/04, found on their website here: http://www.stc.tid.gov.hk/english/circular_pub/stc7_04.html.

On Licensing

- Licenses are required for import, export, and transshipment of commodities listed in the Schedules and licenses must be applied for pre-shipment.
- A company must be registered as a business in Hong Kong in order to apply for a license; for companies that don't have registered businesses here, they can appoint an agent or freight forwarder in HK to apply on their behalf.
- E-applications are available to all companies that have business registrations in Hong Kong; applications are easily tracked online.
- For straightforward license applications in which TID does not need to request additional information, the processing time is 2.5 business days. Products of sensitive origin and sensitive markets may take a bit longer. (Note: U.S. origin is considered sensitive.)

- TID has seen a dramatic increase in import and export license applications over the past five years; they received roughly 60,000 in 2005 and expect to receive 240,000 in 2009.

On Streamlining the Licensing Process

- In June 2009, Hong Kong launched the “Approval-in-Principle Arrangement for Bulk Users of Strategic Commodities Licensing Service (AIP),” which is a program to streamline the licensing process for those companies that apply for more than 100 import or export licenses a year in Categories 3 and 5. The program is described in detail in Strategic Trade Controls Circular No. 9/2009, which can be found on their website here:
http://www.stc.tid.gov.hk/english/circular_pub/2009_stc09.html.

On Advantages of Using Hong Kong as a Transshipment Point

- Hong Kong is located in the center of Asia and can offer ground shipping to China.
- Shipping and air lines to the rest of Asia and S-E Asia are well established. By air it takes
 - Six hours to Japan and Singapore,
 - Three to four hours to Korea,
 - Six hours to New Delhi,
 - Seven hours to Pakistan.
- Hong Kong offers sophisticated logistics channels to support transshipment.
- The Hong Kong export control system is fair, transparent, fast, predictable, and relatively low-barrier.