

Logistics SCS-based Training Package General Guidelines

1. Training Concepts

The Training Package is divided into 2 functional areas, each of which consists of 2 Units of Competency (UoC) from the Logistics Specification of Competency Standards (SCS).

(A) Topic 1: Hong Kong's Import and Export Trade and Government Regulation

This part of the Training Package consists of the following Units of Competency (UoCs):

- (1) UoC Code : LOCUIE206A (Appendix 1)
Title of UoC: Handle import/export or re-export documents
QF Credit : 3
Reference: Appendix 1
- (2) UoC Code : LOCUIE203A (Appendix 2)
Title of UoC: Handle the documents for dangerous goods, prohibited articles and dutiable commodities
QF Credit : 6
Reference: Appendix 2

(B) Topic 2: Hong Kong Customs Declaration and Clearance Procedure

This part of the Training Package consists of the following Units of Competency (UoCs) :

- (1) UoC Code : LOCUIE205A (Appendix 3)
Title of UoC: Handle customs clearance procedures
QF Credit : 6
Reference: Appendix 3
- (2) UoC Code: LOCUIE204A (Appendix 4)
Title of UoC: Arrange for customs declaration
QF Credit: 3
Reference: Appendix 4

The Logistics SCS-based Training Package is divided into 2 functional areas, with a total of 4 Units of Competency under 2 topics.

The Training Package targets at new entrants to the logistics industry, including

shipping, air and land forwarding agents, junior operators of courier and logistics companies, and those interested in joining the freight forwarding and logistics industry. The Training Package aims to provide learners with fundamental knowledge and practical skills of the logistics industry.

It is recommended that training organisations should use the Training Package based on the abovementioned 4 UoCs of the 2 functional areas, if the target learners are new entrants or individuals aspiring to join the industry.

2. Suggested target learners

Targeted learners include the following:

- (1) Junior operators, new entrants or individuals aspiring to join forwarding and logistics related industries; and
- (2) Secondary education or above; and
- (3) Aged 18 or above.

** The above criteria are for reference only. Training organisations may adjust the criteria reasonably depending on practical situations.

3. Learning sequence

- (A) Hong Kong's import and export trade and government regulation
- (B) Hong Kong Customs Declaration and Clearance Procedure

The rationale behind the above sequence is that since the learners are junior or new entrants to the industry, they must possess some required knowledge and necessary concepts before they can further understand and handle relevant documents and procedures. This sequence suits the learning process of learners, ensures the operation safety and avoids mistakes. Training organisations may adjust the above learning sequence depending on practical situations, but the relevant changes in law and documentation requirements should be studied before commencement of the course.

4. Learning objectives of the overall Training Package

- (1) The understanding of transportation procedures and document related to general and non-general import and export in Hong Kong (including trade documents and transportation documents etc.)

- (2) The understanding of the relevant document requirements of different departments of the HKSAR Government in relation to general and specialty goods (including prohibited articles, dutiable commodities and dangerous goods etc.).

Practitioners should be able to avoid mistakes and ensure the smooth operation of the whole forwarding procedures with the full understanding of the relationship between transportation and the Customs and Excise Department.

5. Learning outcomes of the Training Package

Upon completion of learning based on the above Training Package, learners will be able to:

- (1) Master the transport procedures and documents related to the general and non-general import and export in Hong Kong
- (2) Understand relevant document requirements and forwarding procedures of different departments of the HKSAR Government in relation to general and specialty goods (including prohibited articles, dutiable commodities and dangerous goods etc.)

6. Content of the Training Package

The learning and assessment guidelines of each UoC should cover the following:

- (1) Guidelines on the design of the curriculum
 - 1.1 Expected outcomes
 - 1.2 Suggested targets
 - 1.3 Suggested qualifications of trainers
 - 1.4 Mode of learning
 - 1.5 Teaching venues and facilities
 - 1.6 Suggested scope, contents and materials
- (2) Guidelines on assessments
 - 2.1 Mode of assessment
 - 2.2 Exam contents
- (3) List of teaching materials and references
- (4) Appendices
 - 4.1 Sample training materials
 - 4.2 Sample exam questions
 - 4.3 Other additional information (if any)

Logistics SCS-based Training Package
Learning and Assessment Guidelines for Topic 1

(A) Topic1: Hong Kong's import and export trade and government regulation

1. Training Concepts

This part of Training Package comprises two UoCs:

(1) UoC Code: LOCUIE206A

Title of UoC: Handle import/export or re-export documents

QF Credit: 3

Reference: Appendix 1

(2) UoC Code: LOCUIE203A

Title of UoC: Handle the documents for dangerous goods, prohibited articles and dutiable commodities

QF Credit: 6

Reference: Appendix 2

The two UoCs can be consolidated into one single package in order to provide a more comprehensive training content for junior operators, new entrants or individuals interested in joining forwarding and logistics related industries to understand the procedures and documents in relation to import, export and re-exporting.

2. Learning sequence

(1) To know how to handle procedures and relevant types of documents of import, export and re-exporting trades, including the following:

- 1.1 Pre-agreement quotation and acceptance
- 1.2 Arrangement of pre-loading documents
- 1.3 Arrangement of cargo transportation insurance
- 1.4 Procedures of exports by shipping, air and land forwarding
- 1.5 Bank against payment procedures

(2) Handle the documents for dangerous goods, prohibited articles and dutiable commodities

New entrants and junior operators in the logistics industry lack the experience in

general import, export and re-export trades. They also do not understand the requirements of government as well as customs and excise departments in different countries. As a result, they often overlook important documents, delay delivery and even fail to deliver the goods to the recipients. Therefore, learners are suggested to complete learning the above UoC, namely "Handle import/export or re-export documents" (UoC Code: LOCUIE206A) before taking "Handle the documents for dangerous goods, prohibited articles and dutiable commodities" (UoC Code: LOCUIE203A). These two UoCs are inter-related; they together enable learners to understand more about import and export trades, and allow them to know how to comply with the regulations of the Hong Kong government in order to facilitate the import and export trade operations and avoid delays and detention of goods due to mistakes.

3. Guidelines on the design of the curriculum

3.1 Expected learning outcomes

Upon completion of this part of the Training Package, learners should be able to fulfil all the requirements stated in the assessment guidelines of the UoC, namely:

- 3.1.1 Capable of preparing documents for import, export or re-export trades, in order to facilitate the logistics and trading activities.
- 3.1.2 Understand the procedures of handling non-general imported, exported and re-exported goods.

3.2 Suggested target learners

As mentioned above, the Logistics industry competency is to provide fundamental knowledge to new entrants and individuals aspiring to join the industry. Therefore, the guideline suggests the target learners of the Training Package should satisfy the following criteria:

- 3.2.1 Junior operators, new entrants to the forwarding and logistics related industries, or individuals who are aspiring and willing to join the industries; and
- 3.2.2 Secondary education or above; and
- 3.2.3 Aged 18 or above.

** The above criteria are for reference only. Training organisations may adjust their criteria according to practical situations.

3.3 Suggested qualifications of trainers

The Training Package of this area focuses on the procedures of import and export trades, knowledge in preparing relevant documents, familiarity with import and export requirements of various government departments and knowledge of operations. This guideline recommends the following qualifications of trainers:

- 3.3.1 Minimum 10 years or above of relevant experience in import and export trades in Hong Kong; and
- 3.3.2 Attainment of QF level 3 qualification or above; and
- 3.3.3 Relevant certificates for logistics practitioners; and
- 3.3.4 When teaching about dangerous goods, and such curriculum requires freight forwarders (Category 3,4 and 5 personnel) stated by Civil Aviation Department, the curriculum must be approved by the Civil Aviation Department and the trainers must be IATA Dangerous Goods certified teachers.

3.4 Mode of Learning

Upon completion of learning, learners should be able to prepare relevant documents for import, export and re-export trades and handle the arrangement of goods and relevant documents efficiently. This part of the Training Package focuses on both theory and practical application. Learners are advised to spend more time on self-study and revision to consolidate the knowledge. Since this Training Package involves practical application, the trainer-student ratio will be 1:30. To summarise, this guideline suggests the following mode of learning:

- 3.4.1 Suggested mode of learning: Face-to-face learning supported by in-class document preparation exercises)
- 3.4.2 Total learning hours for this UoC: 90 hours
- 3.4.3 Suggested class-learning to self-study time ratio: 1:2
- 3.4.4 Suggested hours for face-to-face learning: 30 hours
- 3.4.5 Suggested hours for self-study: 60 hours
- 3.4.6 Suggested trainer-to-student ratio: 1:30

Training organisations may adjust the ratios to appropriate levels with regard to factors such as quality of learners admitted, qualification of trainers, etc.

3.5 Teaching venues and facilities

This UoC focuses on both theory and practical application, including

training on the filling in of forms and documents. Therefore, the guideline suggests that general classroom facilities be required:

- 3.5.1 Whiteboard and markers
- 3.5.2 Projector and screen
- 3.5.3 Computer
- 3.5.4 Sound magnifying system
- 3.5.5 Chairs and desks

3.6 Suggested scope, contents and materials

The scope of this part of the Training Package should be in accordance with the UoCs LOCUIE206A and LOCUIE203A as specified in the Logistics Specification of Competency Standards (SCS). For details, please refer to Annexes 1 and 2.

This guideline suggests the following:

- 3.6.1 Training organisations should prepare for each learner a copy of detailed lecture notes and remind learners to bring the notes to every session.
- 3.6.2 Training organisations should clearly advise the learners to study the relevant materials from the lecture notes.

Logistics SCS-based Training Package
Learning and Assessment Guidelines for Topic 2

(B) Topic 2: Hong Kong Customs Declaration and Clearance Procedures

1. Training Concepts

This part of the Training Package comprises two UoCs:

- (1) UoC Code: LOCUIE205A
Title of UoC: Handle customs clearance procedures
QF Credit: 6
Reference: Appendix 3
- (2) UoC Code: LOCUIE204A
Title of UoC: Arrange for customs declaration
QF Credit: 3
Reference: Appendix 4

The two UoCs can be consolidated into one single package in order to provide a more comprehensive training content for junior operators, new entrants or individuals interested in joining the forwarding and logistics related industries.

2. Learning sequence

- (1) Handle customs clearance procedures, including:
 - 1.1 Fundamental knowledge of customs clearance
 - 1.2 Handling of customs clearance procedures
- (2) Arrange for customs declaration, including:
 - 2.1 Fundamental knowledge of customs declaration
 - 2.2 Arrangement for customs declarations

New entrants and junior operators in the logistics industry lack the experience in general import, export and re-export trades. They also do not understand the requirements of government as well as customs and excise departments in different countries. As a result, they often overlook important documents, delay delivery and even fail to deliver the goods to the recipients. Therefore, learners are suggested to complete the above UoC, namely "Handle customs clearance procedures" (UoC Code: LOCUIE205A) before taking "Arrange for customs

declaration" (UoC Code: LOCUIE204A). These two UoCs are inter-related. Learners will understand more about import and export trades, and know how to comply with the regulations of the Hong Kong government in order to facilitate the import and export trade operations.

3. Guidelines on the design of the curriculum

3.1 Expected learning outcomes

Upon completion of this part of the Training Package, learners should be able to fulfil all the requirements stated in the assessment guidelines of the UoC, namely:

- 3.1.1 Capable to handle matters related to customs clearance according to the procedures and requirements of relevant government departments
- 3.1.2 Understand processes of handling special imported, exported or re-exported goods (such as dangerous goods, prohibited articles and dutiable commodities), and to handle the goods and relevant documents efficiently.

3.2 Suggested target learners

As mentioned above, the Logistics industry competency is to provide fundamental knowledge to new entrants and individuals aspiring to join the industry. Therefore, the guideline suggests the target learners of this part of the Training Package should satisfy the following criteria:

- 3.2.1 Junior operators, new entrants to the forwarding and logistics related industries, or individuals who are aspiring and willing to join the industries; and
- 3.2.2 Secondary education or above; and
- 3.2.3 Aged 18 or above.

** The above criteria are for reference only. Training organisations may adjust their criteria according to practical situations.

3.3 Suggested qualifications of trainers

The Training Package of this area focuses on the procedures of import and export trades, knowledge in preparing relevant documents, familiarity with import and export requirements of various government departments and knowledge of operations. This guideline recommends the following

qualifications of trainers:

- 3.3.1 Minimum 10 years or above of relevant experience in import and export trades in Hong Kong; and
- 3.3.2 Attainment of QF level 3 qualification or above; and
- 3.3.3 Relevant certificates for logistics practitioners.

3.4 Mode of Learning

Upon completion of learning, learners should be able to explain the customs declaration and clearance procedures and effectively complete the customs declaration and clearance for import, export and re-export goods. This part of the e Training Package focuses on both theory and practical application. Learners are advised to spend more time on self-study and revision to consolidate the knowledge. Since this Training Package involves practical application, the trainer-student ratio will be 1:30. To summarise, this guideline suggests the following mode of learning:

- 3.4.1 Suggested mode of learning: Face-to-face learning supported by in-class document preparation exercises)
- 3.4.2 Total learning hours for this UoC: 90 hours
- 3.4.3 Suggested class-learning to self-study time ratio: 1:2
- 3.4.4 Suggested hours for face-to-face learning: 30 hours
- 3.4.5 Suggested hours for self-study: 60 hours
- 3.4.6 Suggested trainer-to-student ratio: 1:30

The above mode of learning is merely a suggestion. Training organisations may adjust the ratios to appropriate levels with regard to factors such as quality of learners admitted, qualification of trainers and the trainers' comments, etc.

3.5 Teaching venues and facilities

This UoC focuses on both theory and practical application, including the filling in of forms and documents. Therefore, the guideline suggests that general classroom facilities be required:

- 3.5.1 Whiteboard and markers
- 3.5.2 Projector and screen
- 3.5.3 Computer
- 3.5.4 Sound magnifying system
- 3.5.5 Chairs and desks

3.6 Suggested scope, content and materials

The scope of this part of the Training Package should be in accordance with the UoCs LOCUIE205A and LOCUIE204A as specified in the Logistics Specification of Competency Standards (SCS). For details, please refer to Annexes 3 and 4.

This guideline suggests the following:

- 3.6.1 Training organisations should prepare for each learner a copy of detailed lecture notes and remind learners to bring the notes to every session.
- 3.6.2 Training organisations should clearly advise the learners to study the relevant materials from the lecture notes.

Table 1

Training Package	UoC (with UoC Code)	ILOs (for the combined Training Package)	Individual ILOs (for Part A and Part B of the Training Package respectively)	QF Level
Part A : Hong Kong's Import and Export Trade and Government Regulation	Handle import / export or re-export documents (LOCUIE206A) Handle the documents for dangerous goods, prohibited articles and dutiable commodities (LOCUIE203A)	(1) Master the transport procedures and documents related to the general and non-general import and export in Hong Kong; and (2) Understand relevant document requirements and forwarding procedures of different departments of the HKSAR Government in relation to general and specialty goods (including prohibited articles, dutiable commodities and dangerous goods, etc)	(1) Cable of preparing documents for import, export or re-export trades, in order to facilitate the logistics and training activities; and (2) Understand the procedures of handling non-general imported, exported and re-exported goods	2
Part B : Hong Kong Customs Declaration and Clearance Procedures	Handle Customs Clearance Procedures (LOCUIE205A) Arrange for customs declaration (LOCUIE204A)	(1) Capable to handle matters related to customs clearance according to the procedures and requirements of relevant government departments (2) Understand customs declaration procedures and make relevant arrangements.		2

Table 2

Topics of the Training Package	UoC	ILOs
Hong Kong's import and export trade and government regulation		
Chapter 1	LOCUIE206A	(1)
Chapter 2	LOCUIE203A	(1)
Hong Kong Customs Declaration and Clearance Procedure		
Chapter 1	LOCUIE205A	(2)
Chapter 2	LOCUIE204A	(2)

Table 3

Topics of the Training Package	UoC (with UoC Code)	Credit listed in the UoCs
Part A : Hong Kong's Import and Export Trade and Government Regulation	Handle Import / Export or Re-export documents (LOCUIE206A)	3
	Handle the documents for dangerous goods, prohibited articles and dutiable commodities (LOCUIE203A)	6
Part B : Hong Kong Customs Declaration and Clearance Procedures	Handle customs clearance procedures (LOCUIE205A)	6
	Arrange for customs declaration (LOCUIE204A)	3

Table 4

Part A of the Training Package : Hong Kong's import and export trade and government regulation			
Learning Topics	Contact Hours	Self-study hours	Teaching / training and Learning activities
Chapter 1	10 hours	20 hours	
Chapter 2	20 hours	40 hours	90 hours
Part B of the Training Package : Hong Kong Customs Declaration and Clearance Procedures			
Chapter 1	20 hours	40 hours	
Chapter 2	10 hours	20 hours	90 hours

Table 5

Assessment tools	Topics covered	% of Total Assessments	Chinese / English	Group / Individual
Classwork	Form 4	10%	English	Individual
Homework	Air instruction form	15%	English	Individual
In-class demonstration	Dangerous goods shipment	25%	Chinese	Group
Multiple-Choice	All topics	10%	Chinese	Individual
Fill in the form	Shipping Order	20%	English	Individual
Long Question	Classification of Dangerous	20%	Chinese	Individual
Class work	Declaration fee calculation	10%	Chinese or English	Individual
Home work	Types of Declaration form	15%	Chinese or English	Individual
In-class demonstration	ATA Carnet	25%	Chinese	Group
Multiple-Choice	All topics	10%	Chinese	Individual
Fill in the form	Declaration form 1	20%	Chinese / English	Individual
Long Question	Electronics Customs System	20%	Chinese	Individual

Bill of Exchange

Exchange for (Amount in Figures) (委託收取款項 -- 按發票金額填寫)	Date Hong Kong SAR (發票日期)
	Our Reference (發票號碼)
At (數期) sight of this First of Exchange (Second being unpaid)	1
Pay to the order of (議付銀行名稱)	
Amount in Words (委託收取款項金額大寫)	
Drawn under DC Number (信用證號碼)	DC Issue Date (信用證出證日期)
Issued by (DC Issuing Bank) (信用證開證銀行名稱)	
To (Bank/Name of Importer) 支付款項的銀行 (必須按信用證要求填寫)	Signature and Company Chop 受益人蓋章及簽名

Table 6

Competency to be assessed	Task Description : Completely fill in the Bill of Exchange		
	The Lowest level	The Average level	The Highest level
As above Bill of Exchange	<ul style="list-style-type: none"> ■ Wrong amount in figures and word ■ Wrong Tenor ■ In-complete Bank / Name of Importer ■ Inappropriate signature 	Fill in the information correctly	Fill in the information correctly and independently

Table 7

Assessment Guide for Training Package in Import and Export Trade and Government Regulation	
Critical Aspects for assessment and evidence required to demonstrate the respective UoC Code : LOCUIE206A and LOCUIE203A	<ol style="list-style-type: none"> 1) Competency must be demonstrated in the ability to completely fill in the correct forms of import, export and re-export trades independently 2) The assessor should check to ensure that the learner is able to fully comply with the Government regulations without any error, e.g. Export Licence Form 6, Import Licence Form 3 etc
Resource Requirement	The resources required to gather evidence for

	<p>assessments in UoC LOCUIE206A and LOCUIE203A include :</p> <ul style="list-style-type: none"> ■ Assessment brief to learners (instructions, minimum requirements, grading given to learners) ■ Relevant workplace procedures ■ Relevant legal regulations ■ Assessment rubrics given to learners prior to teaching / training and learning activities
Methods of Assessments	<ul style="list-style-type: none"> ■ Analysis of responses to case studies and scenarios ■ Oral or written questioning to assess knowledge ■ Marking, grading and moderating final written examination
Assessment Guide for Training Package for Hong Kong Customs Declaration and Clearance Procedure	
Critical Aspects for assessment and evidence required to demonstrate the respective UoC Code : LOCUIE205A and LOCUIE204A	<p>3) Competency must be demonstrated in the ability to handle matters related to customs clearance according to the procedures and requirements of relevant government departments independently</p> <p>4) The assessor should check to ensure that the learner is able to fully comply with the Government regulations without any error, e.g. Import and Export Declaration Form</p>
Resource Requirement	<p>The resources required to gather evidence for assessments in UoC LOCUIE205A and LOCUIE204A include :</p> <ul style="list-style-type: none"> ■ Assessment brief to learners (instructions, minimum requirements, grading given to learners) ■ Relevant workplace procedures ■ Relevant legal regulations ■ Assessment rubrics given to learners prior to teaching / training and learning activities
Methods of Assessments	<ul style="list-style-type: none"> ■ Analysis of responses to case studies and scenarios

	<ul style="list-style-type: none">■ Oral or written questioning to assess knowledge■ Marking, grading and moderating final written examination
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Logistics SCS-based Training Package

Hong Kong's Import and Export Trade and Government Regulation - Sample Notes

I. Topic: Hong Kong's import and export trade and government regulation

Learning Content

Chapter 1: Understanding how to deal with import, export or re-export documents

When handling matters related to import and export, it is necessary to handle all relevant documents properly:

(I) Quotes and acceptances prior to agreement



The process of Sellers and Buyers entering into trade agreement:

1. The Buyer raises an Enquiry (詢價單) to the prospective Seller specifying the goods requirements
2. The Seller submits a Quotation (報價單) to the prospective Buyer detailing the relevant terms on quality, quantity and delivery etc.
3. After the Buyer receives the Quotation from the Seller, both parties enter into agreement after negotiation. A Purchase Order (訂購單) is issued from the Buyer to the Seller to confirm the purchased goods and detail the terms of the transaction.
4. After receiving the Purchase Order from the Buyer, the Seller should verify the terms, counter-sign and return the Purchase Order to the Buyer, or post to the Buyer a Sale Confirmation (銷售確認書) to confirm the deal.

The following documents are involved in the process of negotiation:

1. Enquiry (詢價單) (Appendix 5)
Sent by the Buyer on his own initiative to the Seller, this type of Enquiry is

pre-contractual, meaning that no transactional relationship has been established. From the Buyer's perspective, this type of enquiry is about the goods he intends to purchase. The enquiry may be about:

- 1.1 Request for samples, catalogues and price list of a certain goods
- 1.2 Enquire about the quality, quantify, price and delivery of a certain goods

2. Quotation (報價單) (Appendix 6)

In international trade, a Quotation refers to the communication of intention to trade from the Seller to the Buyer with all terms specified.

3. Contract in writing (書面契約)

Upon the completion of the transaction, one of the involved parties should create a contract in writing with the agreed terms and send to the other party for confirmation:

- 3.1 The document prepared by the Seller is to be called the Sales Confirmation (售貨確認書) (Appendix 7)
- 3.2 The document prepared by the Buyer is to be called the Purchase Order (購貨單) (Appendix 8)

(II) Documentation before shipment arrangement

Upon completion of the transaction activities, each party should carry out and the relevant documents are:

1. After both parties have signed the contract, the Buyer would ask the bank to issue a Documentary Credit as an undertaking to pay the Seller.

** In reality, there are many methods of payment, including D/A, D/P, Open Account, etc. The procedures stated here is only one of the examples.

Document: Documentary Credit (信用證) (Appendix 9)

A Documentary Credit is an instrument or letter issued by a bank to a third party (the Seller) in accordance with the customer's (the Buyer's) request and instruction. The bank pledges in the instrument or letter that if the third party fulfils conditions specified therein, the bank will realize the bill of exchange and the receipts issued by the third party.

2. Once the contract has been concluded, the Seller is obliged to make delivery pursuant to the contract. Therefore, if the Buyer has a good credit, the Seller can prepare for the handover of goods after signing the contract.

Nevertheless, in transactions with documentary credits as the payment term, if the Seller does not have trust in the foreign Buyer, the Seller for caution's sake usually prepare the goods upon receiving the documentary credits. In this case, the Seller, whether he is an exporter who buys goods from domestic manufacturers or a self-operated exporter, must comply with the time of shipment and make arrangements accordingly.

3. The Seller must deliver goods which are of the quality required by the contract regardless of the circumstances of the trading contract. Therefore, quality of goods must be closely monitored in the production process. In particular, integrated quality assurance protocol should be observed before packaging. This is to avoid damage claims by buyers, establish business reputation and maintain market position.

For the above purpose, after the goods are ready for shipment and before loading, the Seller should hire a Surveyor to inspect the goods and prove that the goods comply with all the requirements in the contract. This type of inspection made on the application of the interested parties in a transaction (including the Seller, the Buyer, the Supplier, etc.) is called the “notarial survey” (公證檢驗).

4. Meanwhile, the Seller should apply to the relevant Government departments for the required export documents. The documents required depend on the requirements of different destination countries. The documents listed below are categorized by their functions, for example:

- 4.1 Pro-forma Invoice (估價發票) (Appendix 10)

This is an invoice issued by the Supplier to inform the Buyer of the types of goods, quantity, price, specifications (weight, size and other features), etc. The Pro-forma Invoice is not used for accounts payable, but it can be used for applying import permits, arranging foreign currency payment or making other financial arrangements.

- 4.2 Certificate of Origin (產地來源證) (Appendix 11)

This is a certification of the origin and quality/quantity/price of the goods. It is one of the documents for customs clearance, which can be used to verify the duty rate of the imported goods and collect statistics on volume of imported goods from a particular country or district. The issuing organisations will issue the Certificate of Origin on request. These organisations include:

- 4.2.1 Trade and Industry Department

- 4.2.2 The Hong Kong General Chamber of Commerce
- 4.2.3 Federation of Hong Kong Industries
- 4.2.4 The Chinese General Chamber of Commerce
- 4.2.5 The Chinese Manufacturers' Association of Hong Kong
- 4.2.6 The Indian Chamber of Commerce Hong Kong
- 4.3 Generalized Systems of Preference Form A (普及特惠稅制度產地來源證表格甲) (Appendix 12)

This document proves that the importing goods enjoy tariff preferences under the Generalized System of Preferences (abatement or exemption). In general, the goods must satisfy the Generalized System of Preferences rules of origin of both the donor country and the beneficiary country in order to obtain the Generalized System of Preferences Form A.

- 4.4 Consular Invoice (領事發票) (Appendix 13)

A Consular Invoice is an official invoice of a specific format issued by the Consul of the importing country at the exporting country upon the request of the exporter. The functions of the Consular Invoice include:

- 4.4.1 To assess import duties and for general statistical purposes in a similar manner as the Customs Invoice.
- 4.4.2 To replace the Certificate of Origin in understanding the origin of the goods and to impose differential treatment to goods from countries.
- 4.4.3 To avoid dumping and ensure there is no dumping of goods
- 4.4.4 Restrict or prohibit the import of luxury goods or unpermitted goods. Some countries impose high tax rates on importing goods without Consular Invoices, prohibit import of those goods completely, or even fine or seize the goods.
- 4.4.5 To use the fees as a source of Consulate's income

- 4.5 Customs Invoice (海關發票) (Appendix 14)

Apart from the commercial invoice, goods exported to Canada or New Zealand are usually required to present a special form of Customs Invoice. This type of invoice has its specific format and different required information. Its functions are generally the same as those of the Consular Invoice, i.e.:

- 4.5.1 For the statistical purposes of the importing country
- 4.5.2 For the Customs Department of the importing country to verify the origin of the goods and as a basis for imposing

differential import duties

4.5.3 For the Customs Department of the importing country to check for dumping, misreporting of price and conspiracy to tax evasion.

4.6 Other import licences:

Before the import or export of goods, it may be necessary to apply for other import or export licences from different departments depending on the nature of the goods. (For details, please refer to Chapter 2— handling documents for handling of dangerous goods, prohibited articles and dutiable commodities)

(III) Cargo insurance arrangement

If there is a FOB¹ or CFR² term, the Seller must arrange for the shipment insurance. The term being CIF³, the Seller is responsible for insuring the cargo. The documents required in the cargo insurance arrangement include:

1. Insurance Policy (保險單) (Appendix 15)

An Insurance Policy is a proof that the goods are insured, detailing the information about the policy.

2. Insurance Certificate (保險證明書) (Appendix 16)

An Insurance Certificate is to prove that the goods are insured under a Cover Note. This is to insure against the loss and damages caused to the goods during shipment.

Note ¹ FOB (Free On Board), means the Seller transfers ownership of goods at the ship specified by the Buyer. The risk of loss and damage is passed when the goods are loaded on board and since then the Seller is liable for all the cost incurred afterward.

Note ² CFR (Cost and Freight), means the ownership of goods, together with the risk of loss and damage are transferred when the goods have been delivered on board the vessel and the Seller must contract to pay the costs and freight necessary to bring the goods to the named port of destination.

Note ³ CIF (Cost, Insurance and Freight), means the ownership of goods, together with the risk of loss and damage are transferred when the goods have been delivered on board the vessel and the Seller must contract to pay the costs and freight necessary to bring the goods to the named port of destination. The Seller also has to procure insurance against the Buyer's risk of loss of or damage to the goods during the carriage. The Buyer should note that under the CIF term the seller is only required to obtain insurance on minimum coverage. If the Buyer feels that more insurance

protection is needed, agreement should be made clearly between the two parties or the Buyer should arrange at his own expenses.

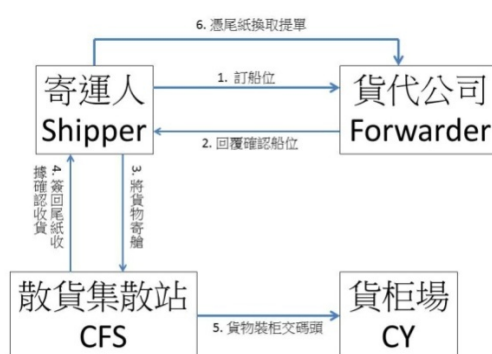
(IV) Sea, Air and Land Import and Export

When the goods are ready, the Seller is required to deliver the goods to the required destination and means of transportation specified by the Buyer in the contract or Documentary Credit.

A. Export

(1) Sea-Shipment

I. Container freight station to container freight station (CFS—CFS) (散貨交收)



The Buyer, being the shipper, arranges and handles the formalities and procedures as the following:

1. The Shipper submits a shipping order to the forwarder by fax or by filling in the electronic shipping order for freight booking.

The Shipper is required to fill in the following contents: Shipper Name and Consignee; Notify Party; Port of Loading; Port of Discharges; Final Destination; Marks and Nos; No. of Packages; Description of goods; Total Gross Weight; Total CBM; Freight Collect or Prepaid, etc.

The forwarder is required to fill in the following contents: Vessel Name ; Closing Date and time; Name and address of Warehouse; Consol Code, etc.

2. The forwarder must provide the shipping order number,

- location of the warehouse, closing date, type of ship to be used, etc. when confirming the booking by fax or phone.
3. The forwarder authorizes a transportation company shipping the goods to a designated warehouse with the shipping order.
 4. The goods are examined for their package surface and counted clearly in the warehouse (CFS). The Mate's Receipt is then signed and mailed to the shipper.
 5. The forwarder loads the goods into freights at the warehouse (CFS) and then moves the loaded freights to the CY near the pier.
 6. The Shipper uses the Mate's Receipt in exchange for Bill of Lading from the Forwarder after the ship starts sailing.

The documents required in the entire sea-shipment CFS-CFS process are as follows.

1) Shipping Order (落貨紙) (Appendix 17)

Issued by the shipping company, a shipping order is a notice instructing the ship captain to load the goods specified in the order. It is also a certificate proving the shipping company agrees to allocate a space in the ship to the goods owner. Despite different formats among Shipper Orders, major information in the order includes details regarding the Shipper, Name of the Ship, Loading Pier, Designated Pier, Package Number, Mark, Name of the goods, Weight, Recipient, Notify Party and etc.

2) Mate's Receipt (大副收據又稱尾紙) (Appendix 18)

During the loading process, tally clerks of the shipping company and exporters (shippers) should jointly inspect the quantity and packaging conditions of the cargos. In case of broken packaging, insufficient packaging, use of old case, unclear marks, etc., the tally clerks should make record on the tally sheet accordingly. The tally sheet should be signed by tally clerks of both parties after loading and a mate's receipt is made on this basis by the first mate or other officers on board. A receipt with such notes is an Unclean Receipt. Whether a Bill of lading is an Unclean Receipt depends on the presence of notes in the Mate's Receipt. The exporters (shippers) will receive the Mate's Receipt after it

is signed.

3) Bill of Lading (提單) (Appendix 19)

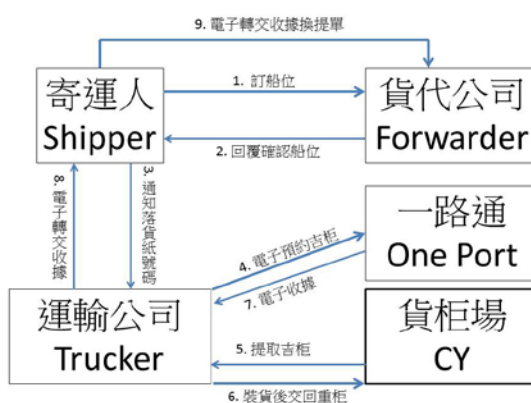
The Mate's Receipt is used in exchange for the Bill of Lading from the Forwarder. The Bill of Lading bears three functions:

3.1 Titled Documents (貨權文件)

3.2 Evidence of Transport Contract (運輸合同)

3.3 Cargo Receipt of Shipping Company (貨物收據)

II. Container Yard- Container Yard (CY—CY) (柜貨交收)

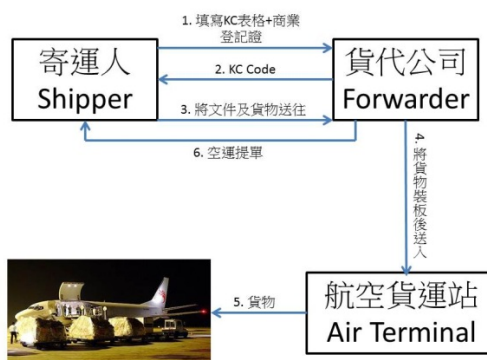


The documents required in the entire sea-shipment CY-CY process are as follows.

1. The Shipper submits a shipping order to the forwarder by fax or fill in the electronic shipping order for freight booking
2. The forwarder confirms the booking by fax or phone.
3. Under normal circumstances, the forwarders would not use their warehouses to receive freights. Instead, the forwarder sends a Booking Confirmation issued by the shipping company and requests the shippers to send their freights to the CY owned by the shipping company directly.
4. The shipper sends the Booking Confirmation to the Trucker.
5. The Trucker books empty freights through the One Port system.
6. The Trucker collects the empty freights at the CY for loading at the booked timeslot
7. After loading, the Trucker sends the freights back to the CY before closing.
8. A receipt is issued from the CY to Trucker through the One Port system.

9. The Trucker sends the receipt to the shipper through the One Port system.
10. The shipper hands in the receipt to the forwarder in exchange for bill of lading.

(2) Air-shipment



Remark: In the “Booking” procedure, there are Known Consignor (X-ray screen not required) and Unknown Consignor (X-ray screen required).

When the goods are ready for shipping, the Seller will ship the goods to the destination by air-shipment according to the instructions from the Buyer. The Seller, being a shipper, handles the formalities and procedures of shipping as the following:

1. The shipper fills in a KC Form (Known Consignor Declaration of Compliance) and submits to the forwarder.
2. The forwarder receives the KC Form and then sends a KC Code to the shipper. The shipper uses the KC Code to fill in the SI (Shipper Instruction).
3. The forwarder prepares the goods and documents for customs clearance at the destination. The documents required include:
 - Shipper Instruction
 - Hong Kong Export Licence (if the exported goods are controlled items in the HKSAR)
 - Commercial Invoice
 - Customs Invoice (depends on the requirement of the destination countries)
 - Consular Invoice (depends on the requirement of the destination countries)
 - Packing List

- Certificate of Origin (depends on the requirement of the destination countries)
 - GSP Form A (required by the donor country)
4. Before making a booking to the airline company and warehousing, the forwarder needs to go through ISAC (Shipping Information), which requires the following procedures:
 - (1) Login to the website of the air terminal for registration
 - (2) The forwarder makes a booking to the airline company. Afterwards, the forwarder needs to verify if the application is successful
 - (3) Before sending the goods to the warehouse of the air terminal, the forwarder needs to complete the ISAC (Shipping information) requirements.
 5. The forwarder is required to verify if there is anything missing or other problems in the documents and notifies the shipper regarding the name as well as the address of the designated warehouse.
 6. The forwarder loads the goods into the cargoes and then sends them to the air terminal. Air terminals include:
 - HACTL (Hong Kong Air Cargo Terminals Ltd)
 - AAT (Asia Airfreight Terminal)
 - CPCL (Cathay Pacific Cargo Terminal)
 7. The air terminal loads the goods into airplanes timely and ships the goods to the destination.
 8. The forwarder issues the Air Waybill to the shipper

Documents involved in the above loading and shipping process include:

- 1) KC Form (Known Consignor) (Appendix 20)
- For the security of air cargo to be in line with the Standard 4.6.4 of Annex 17 to the Convention on International Civil Aviation safeguarding aircraft against acts of unlawful interference, the Hong Kong Aviation Security Programme which is enforceable under the Aviation Security Ordinance, has incorporated Regulated Agent Regime (RAR) since March 2000. The regime was formulated after consultation with the air cargo industry representative bodies like the Hong Kong Shippers' Council, Hong Kong Association of Freight Forwarding and Logistics Limited (HAFFA), Hong Kong International Courier Association and aircraft operators (airlines).

The three main entities under RAR are aircraft operators (airlines), regulated agents (RA) and known consignors (KC). A cargo handling agent, a freight forwarder or a consignor of air cargo can apply for registration as a regulated agent (RA) who is required to comply with the requirements in respect of the Regulated Agent (RA) in the Hong Kong Aviation Security Programme in order to prevent the unauthorized carriage of explosives and incendiary devices in consignments of cargo intended for carriage by air.

The Requirement Document for Consignor sets out the details of cargo operations of each consignor for compliance with the RAR. KC must comply with all the security requirements and submit to the RA or aircraft operators (airline) a duly completed Known Consignor Declaration of Compliance as an undertaking to comply with all the requirements stated therein.

2) SI = Shipper Instruction (航空委託書)(Appendix 21)

It is an air-shipment order issued by the shipper to the forwarder and functions as:

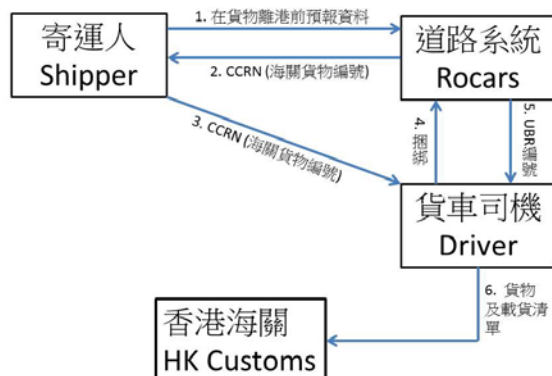
- A certificate for receiving the goods
- A shipping order
- Information for issuing Air Waybill

3) Air Waybill (空運提單) (Appendix 22)

It is an important goods shipping receipt issued by the carrier or its surrogates (the forwarder) and is a shipping contract between the carrier and the shipper. The two parties are legally bound by its content and it serves as:

- A shipping contract established between the shipper and air-shipment carrier
- A certificate for receiving the goods signed by the carrier and a receipt for goods shipped
- A bill for verifying shipping cost for the carrier
- One of the customs declarations for the designated country
- A certificate of insurance
- A basis for the carrier to process the goods

(3) Land-shipment



The seller, as a shipper, arranges the formalities and procedures of land-shipment as follows.

1. The shipper uses Rocars (Road Cargo System) to declare cargo information before the goods depart. There are three methods submitting the information:
 - (1) Submitting the information through the website of HK Customs
 - (2) Submitting the information to HK Customs directly
 - (3) Using bundle for submission.

Submitted contents include:

- Package Number
 - Package explanation
 - Explanation of contents of each package
 - Name of the shipper
 - Address of the shipper
 - Name of recipient
 - Address of recipient
 - Expected departure date (early submission cannot exceed 14 days)
2. The Rocars system sends a customs cargo reference number (CCRN) to the shipper
 3. The shipper must inform the driver of the CCRN
 4. The driver should use the Rocars system for bundling and confirming the CCRN 30 minutes before arriving at the customs
 5. When the driver arrives at the Hong Kong customs, a list of loaded cargos is submitted and the information declared earlier is confirmed

6. The driver is permitted to leave Hong Kong or a vehicle search is conducted after the inspection by the Hong Kong customs and excise officers at the border.

The procedures and documents involved in the above process include:

1. Land-shipment Manifest (陸運“載貨清單”)(Appendix 23) :

A Manifest is a summarized list of goods exported sorted by destinations and is based on receipt or bill of lading. Its contents include the registration mark and name of the driver, name of the shipping company, departure and designated port, Date of departure, shipper, recipient, name of cargo, package, shipping mark and number, number of packages, weight, size, etc.

2. China Customs Advanced Manifest (中國 24 小時艙單規則)

The PRC General Administration of Customs Beijing Office informed that the new CCAM 24-hour rule would be executed at the end of September, 2014, while the Shanghai Office already implemented this rule on 15 October, 2014, which is an extension of that in the Shenzhen district.

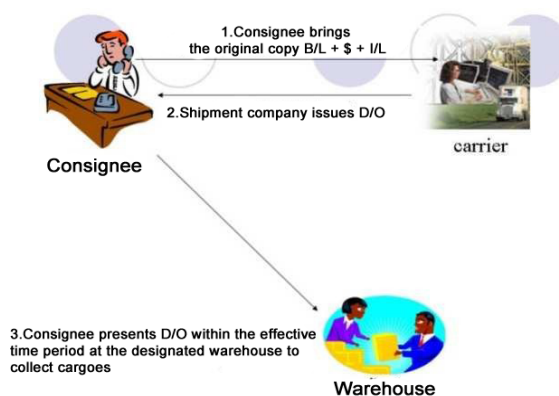
Applicability of the early declaration rule in China

Goods under the application	<p>All freighted goods shipped to China will depart from the Shenzhen district, including ports in Shekou, Yantian, Da Chan Bay and Chiwan.</p> <p>The following are not required for submission before 24-hour:</p> <p>Goods shipped to the Shenzhen district via Hong Kong, re-shipment, goods on roll on/ roll off ships, empty tank containers prepared by the shipper, empty containers and the breakbulk, etc.</p>
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B. Import

(1) Sea-shipment

I. Container freight station to container freight station (CFS—CFS) (散貨)



When the goods arrive at the destination, the Buyer has to handle the cargo collection procedures. The Buyer, as a consignee, handles the following formalities and procedures of cargo:

1. The consignee (the Buyer) uses the original copy of the bill of lading, together with import fee and the right import certificate (if any), in exchange for the Delivery Order from the carrier.
2. The carrier can check the original copy of the bill of lading, import fee and the import certificate. Then, a Delivery Order is given to the consignee for cargo collection in the warehouse.
3. The consignee (the Buyer) gives the delivery order to the shipping company and collects the cargo in the warehouse in the effective time period.

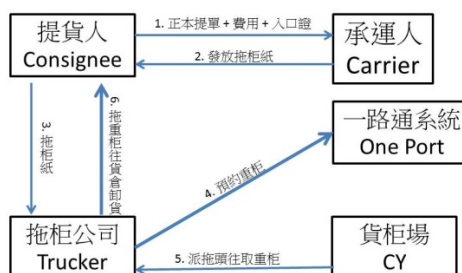
The documents involved in the entire process of imported cargo collection include:

Delivery Order (提貨單) (Appendix 24)

- 1) A document used as a proof for the warehouse to release cargo
- 2) Basis for transferring the ownership of the cargo

** The above procedures are for general situations only. Under certain circumstances different procedures are required, such as delivery guarantee without the original copy of bill of lading and delivery via phone etc

II. Container Yard to Container Yard (CY—CY) (柜貨)



If the goods imported by sea-shipment are container goods, the handling procedures are as follows:

1. The consignee pays fee and presents the original copy of the bill of lading as well as import certificate (if any) to the carrier.
2. In exchange, the carrier issues an Equipment Interchange Receipt (Appendix 25) to the consignee.
3. The consignee uses the Equipment Interchange Receipt and appoints the trucker.
4. The trucker books containers using One Port system.
5. The trucker collects the containers in the CY according to the booking time.
6. The trucker unloads the containers to the destination instructed by the consignee

** The above procedures are for general situations only. Under certain circumstances different procedures are required, such as delivery guarantee without the original copy of bill of lading and delivery via phone etc

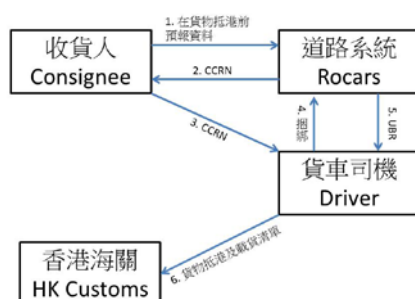
(2) Air-shipment



The procedures for the consignee to handle the air-shipment cargo collection are as follows:

1. The forwarder submits the ISAC-HAWB data to the air terminal 1.5 hours before the plane arrives. The data entry requirement should be in compliance with CUSEXP ISAC (version 3.8) posted at the website of Hong Kong Air Cargo Terminals: www.hactl.com
 2. When the plane arrives, the forwarder collects the cargo in the air terminal and transfer them back to the warehouse
 3. The consignee pays the fee as well as produce a hard copy of the bill of lading and import certificate (if any) at the counter of the airline company
 4. The consignee collects the cargo by himself or appoints a forwarder for collection.
- ** The above procedures are for general situations only. If the consignee of the air waybill is a bank, then the forwarder has to apply for shipping guarantee at the bank.

(3) Land-shipment

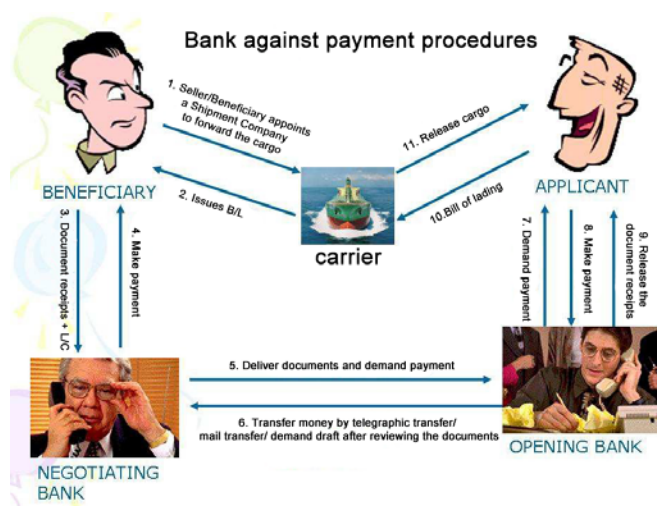


The procedures and documents required for arrangement of land shipment by the Hong Kong importer (the consignee) are as follows:

1. The importer (the consignee) submits a pre-arrival report to Rocars before the arrival of the goods

2. A CCRN is sent to the importer (the consignee) by Rocars
3. The importer (the consignee) informs the trucker of the CCRN in advance
4. The driver performs bundling to Rocars via phones or computers 30 minutes before arrival at the customs
5. A UBR number is sent to the driver by Rocars
6. When the driver arrives at the Hong Kong customs, a list of imported goods is submitted for declaration of relevant cargo information

(V) Bank against payment procedures



When the Seller arranges the loading of goods in accordance with the Buyer's instruction, the Seller passes the documents required by the Buyer and appoints a bank to demand payments from the Buyer.

The process and procedures of the Seller as Beneficiary appointing a bank to demand payments are as follows:

1. The Beneficiary submits all the required documents stated in the Documentary Credit to the Negotiating Bank (議付銀行) and authorizes the bank to demand payment from the Applicant (i.e the Buyer).
2. The Negotiating Bank on behalf of the Opening Bank (開證銀行) reviews the document receipts submitted by the Beneficiary. If the receipts fully comply with the requirements under the Documentary Credit, the Negotiating Bank can represent the Opening Bank in pre-paying the Beneficiary.
3. After pre-paying the Beneficiary, the Negotiating Bank passes the document receipts to the Opening Bank by express delivery and demands reimbursement

from the Opening Bank.

4. Upon receiving the document receipts, the Opening Bank pays the Negotiate Bank by telegraphic transfer and notifies the Applicant at the same time to request the Applicant buys back the receipts (i.e. making payment to the Opening Bank in return for the document receipts of the Beneficiary.)
5. After paying the Opening Bank, the Applicant can take possession of the document receipts and use them to collect goods at the named destination from the carrier.

According to the above payment process and the requirements in the Documentary Credit, the relevant receipts to be submitted to the Negotiating Banks include:

- (1) Bill of Exchange (匯票) (Appendix 26)
A Bill of Exchange is a written, unconditional order by the drawer to the drawee to pay a certain sum on a fixed date.
- (2) Commercial Invoice (商業發票) (Appendix 27)
A commercial invoice is a bill for the goods from the exporter to the importer. It mainly serves as:
 - 1) List of exporting goods
 - 2) Payment notice
 - 3) Accounting bill
 - 4) One of the customs clearance documents at the exporting and importing country
 - 5) Document for claiming insurance
- (3) Packing List (包裝單/包裝清單/裝箱單/花色碼單/內容明細表) (Appendix 28)
The Packing List is prepared by the exporter. It itemises the details of every goods in the cargo and can be used as a supplementary document of the Commercial Invoice. It mainly serves as:
 - 1) Reference document for the carrier to count and examine the goods
 - 2) Reference document for the importer to verify shipping costs
 - 3) Reference document for customs clearance
 - 4) Reference document for the notaries in inspecting the quantity of packed goods
 - 5) Check list for the importer to inspect the quantity and other information of the goods
 - 6) Necessary document for claiming insurance
- (4) Weight/Measurement List (重量呎碼證明書)(Appendix 29)

In case of transaction by loaded weight, the exporter usually is required to produce the Weight List to the importer to prove the weight of the loaded goods complies with the agreement. In case of transaction by unloaded weight, if there is a shortage, the importer must also produce the Weight List for claiming damages from the exporter, shipping company or insurer. In case of company computing shipping cost or other cost based on weight or size, the Weight/Measurement List must also be provided.

(5) Inspection Certificate (檢驗證明書)(Appendix 30)

An Inspection Certificate is used for recording check results regarding the quality, specifications, quantity, packaging, etc. of the goods. To avoid exporters loading goods that fall below the quality standard or fails to meet the specifications, quantity and packaging requirements, importers usually request exporters to produce Inspection Certificates. The issuing organisations include:

- 1) Manufacturers
- 2) Notaries
- 3) Subsidiary company of the importer or a specified agent

(6) Collection Order (託收單)(Appendix 31)

The Order form is printed by the bank for the exporter to fill in. Exporters should submit the form together with other documents to the bank. The documents are used for the following purposes:

- 1) Instruction to collect debt given by the exporters to the bank
- 2) List of document exchange
- 3) Receipt of the bank receiving the documents

Chapter 2: Handling documents for dangerous goods, prohibited articles and dutiable commodities

(I) Import and Export arrangement for prohibited articles

Under the Import and Export Ordinance (Cap. 60), the Reserved Commodities Ordinance (Cap. 296) and their subsidiary legislation, imports and exports of certain articles (see below tables) are subject to licensing control by the Director-General of Trade and Industry. Besides, the import and export licensing control of ozone depleting substances is exercised by the Trade and Industry Department under delegated authority from the Director of Environmental Protection. Therefore, a major function of the Department is to serve the trade by providing various licensing or certification facilities.

The licensing requirement in respect of rice (the reserved commodity) is to ensure the availability of staple food. For ozone depleting substances, the purpose of licensing control is to ensure that the local consumption of controlled substances does not exceed levels agreed under the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer as amended from time to time.

The following goods are subject to the import and export licencing control exercised by the Trade and Industry Department:

Goods	Import License Required	Export License Required
Textiles	Required (unless exempted)	Required (unless exempted)
Powdered Formula	Not Required	Required (unless exempted)
Rice	Required	Required
Rough Diamonds	Required	Required
Strategic Commodities	Required	Required
Ozone Depleting Substances	Required	Required

In addition, the Director-General of Trade and Industry has also authorized the following government departments to implement import and export licensing control on the following goods:

Goods	Import License Required	Export License Required	Department issuing License
Chinese Herbal Medicines and Proprietary Chinese Medicines	Required	Required	Department of Health
Frozen Meat, Chilled Meat, Frozen Poultry and Chilled Poultry	Required	Not Required	Food and Environmental Hygiene Department
Toxic Chemicals other than Pesticides	Required	Required	Environmental Protection Department
Optical Disc Mastering and Replication Equipment	Required	Required	Hong Kong Customs and Excise Department
Pesticides	Required	Required	Agriculture, Fisheries and Conservation Department
Pharmaceutical Products and Medicines	Required	Required	Department of Health
Radioactive Substances/Irradiating Apparatus	Required	Not required	Department of Health

All persons (including importers, exporters and shipping companies) are required to apply for import/ export licenses from the relevant Hong Kong Government departments before the goods enter or leave Hong Kong. Persons involved are liable to prosecution if these items are transported into / out of HKSAR without a valid license and relevant items will also be seized and confiscated.

(1) Textiles

Legislation: Import and Export Ordinance (CAP. 60 of the Laws of Hong Kong)

Definition: Textiles and natural and man-made fibers including any natural or synthetic products and man-made products yarns, fabrics, garments or other finished products in the form of.

Regulatory (a) Imports of textiles from the Mainland, must bring

requirement:

with :

- i) Importer notice (Textiles) Textiles Trader Registration Scheme (Appendix 32); or
**** Textiles TTR (Re-exports) will be canceled, please note tutor should use the latest information;**
- ii) Import Licences (Textiles) Form 7 (Appendix 33)
- (b) Exports to the mainland or the US textiles, must bring with :
 - i) Suitable textiles notifications under the Textiles Trade Registration Scheme, that :
 - Export Notification I (Textiles) (Appendix 34) (if the textiles is being for the country of Hong Kong Origin); and
 - Export Notification II (Textiles)(Appendix 35) (if the textiles is not being for the country of Hong Kong Origin) ;**** Textiles TTR (Re-exports) will be canceled, please note tutor should use the latest information;** or
 - ii) Export Licences (Textiles) Form 4 (The textiles is being for any country of origin)(Appendix 36)

The above arrangement does not apply to Puerto Rico and the US Virgin Island
- (c) Imports from and exports to the above-mentioned (a) and (b) outside the country/textiles place without being with any permit or notice.

Licensing

Trade and Industry Department

Authority :

Website:

https://www.tid.gov.hk/tc_chi/import_export/textiles/ts_ma_incontent.html

(2) Powdered Formula

Regulatory purposes :

Parallel traders have been diverting large quantities of powdered formula away from the supply chain in Hong Kong resulting in serious shortage in certain brands for our local mothers. The Government has been closely monitoring the supply of powdered formula in the local market. To protect

the health of persons aged under 36 months who may still rely heavily on powdered formula, it is necessary to ensure a safe and stable supply in Hong Kong. To combat the huge demand of parallel traders which often lead to a serious shortage of certain brands of powdered formula, it is considered necessary to regulate the export of powdered formula from Hong Kong.

Regulatory requirement : The Import and Export (General) Regulations (CAP.60A) has been amended to prohibit the export of powdered formula from Hong Kong except under and in accordance with an Export Licence Form 6 issued by the Director General of Trade. (Appendix 37).

Controlled goods : Under the Regulations, "Powdered formula" means a substance in powder form that :

- i) Is or appears to be for consumption by a person aged under 36 months; and
- ii) Is or appears to be milk or milk-like substance in powder form to satisfy wholly or partly the nutritional requirement of a person aged under 36 months.

Licensing Authority : Trade and Industry Department

Website:

https://www.tid.gov.hk/tc_chi/import_export/nontextiles/powdered_formula/index.html

(3) Rice

Legislation : Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulation (Cap. 296A of the Laws of Hong Kong)

Regulatory purposes : Rice is a staple food in Hong Kong and is therefore scheduled as a reserved commodity under the subsidiary regulations of the Reserved Commodities Ordinance (Cap. 296) Laws of Hong Kong. Under the Ordinance, the Government operates the Rice Control Scheme to ensure a stable supply of rice and to keep a reserve stock sufficient for consumption by the population for a reasonable period to cater for emergencies or any short term shortage of supply.

Regulatory requirement : a) For Import, application should be made on Import Licence Form 3 (TRA 187)(Appendix 38)

- b) For import for re-export, application should be made on Import Licence Form 3 (TRA 187)(Appendix 38) and Export Licence Form 6 (TRA 394)(Appendix 37)

Licensing Trade and Industry Department

Authority :

Website : https://www.tid.gov.hk/tc_chi/import_export/nontextiles/nt_rice/nt_rice.html

(4) Rough Diamonds

Legislation : Import and Export Ordinance (Cap. 60 of the Laws of Hong Kong) and its subsidiary legislation.

Controlled goods : It means rough diamonds without any processing or just by simply sawn, cut or coarsely diamonds.

Regulatory purposes : To stop trade in “conflict diamonds” from fuelling armed conflicts, activities of rebel movements and illicit proliferation of armament, the Kimberley Process, a negotiating forum originated from discussions in the United Nations General Assembly regarding rebel activities in some parts of Africa and comprising rough diamond trading entities including the People’s Republic of China, the European Community, the US, Israel, India, Japan, South Africa, the diamond industry and civil society, implemented a Certificate Scheme for rough diamonds on 1 January 2003.

Regulatory requirement: a) An importer must obtain a Kimberley Process Certificate (Import) issued by the Trade and Industry Department before importing any consignment of rough diamonds TID504.(Appendix 40)

- b) an exporter must obtain a Kimberley Process Certificate (Export) issued by the Trade and Industry Department before exporting any consignment of rough diamonds TID503.(Appendix 39)

Licensing Trade and Industry Department

Authority :

Website : https://www.tid.gov.hk/tc_chi/import_export/nontextiles/nt_rd/nt_rd.html

(5) Strategic Commodities

Legislation : The legal basis for strategic trade control in Hong Kong is the

Import and Export Ordinance, Chapter 60 of the Laws of Hong Kong.

Controlled goods : The control on import and export of strategic commodities includes munitions items, chemical and biological weapons and their precursors, nuclear materials and equipment, and dual-use goods that are capable to be developed into weapons of mass destruction.

Regulatory purposes : The Department imposes end-use control on products that are used in connection with the development of weapons of mass destruction. These controls are to prevent Hong Kong from being used as a conduit for the proliferation of weapons of mass destruction.

Regulatory requirement : a) Import :
Import Licence must be obtained before importation of strategic commodities. (TID form 501)(Appendix 41).
Major features of import licence are :

- Valid for 6 months from the date of issue. (Note : Import licence approved under temporary import/export arrangement are only valid for 3 months from the date of issue)
- Allow part-shipment i.e. products covered by one import licence may be imported into Hong Kong in separate shipments within the validity of the licence.

b) Export :
Export licence should be obtained before exportation of strategic commodities. (TID form502)(Appendix 42).

Major features of export licence are :

- Valid for 3 months from the date of issue;
- Consignment based, i.e. products covered by an export licence should be shipped at the same time on the same vessel, aircraft or vehicle. In other words, no part shipment is permitted for export.

Licensing Authority: Trade and Industry Department

Website : <http://www.stc.tid.gov.hk/cindex.html>

(6) Ozone Depleting Substances

Legislation : Under the Ozone Layer Protection Ordinance (Cap.403 of the

Laws of Hong Kong), the imports and exports of ozone depleting substances listed in the Schedule to this Ordinance are required to be under and in accordance with valid import or export licences issued by the Director of Environmental Protection.

Controlled goods :

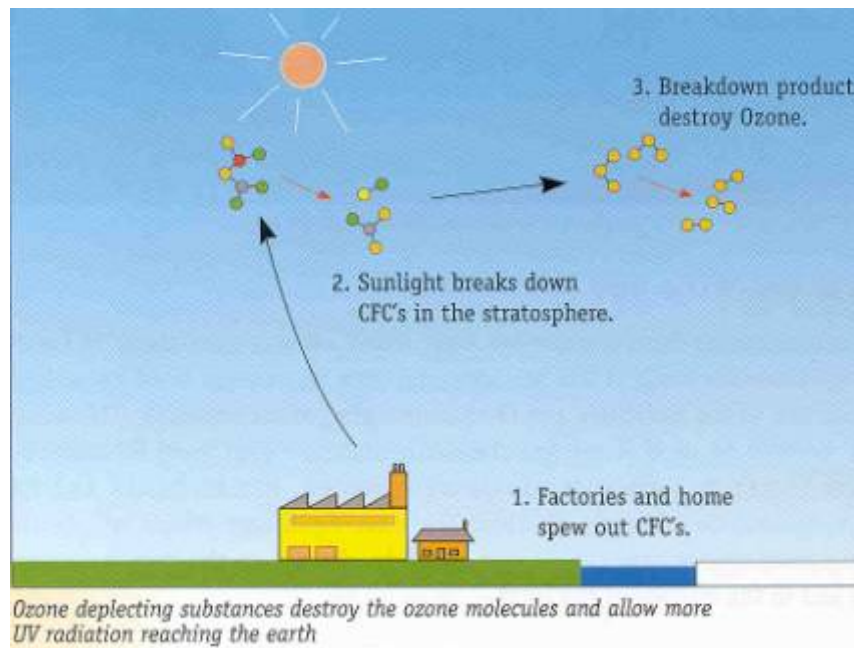
A scheduled substance is subject to control whether existing alone or in a mixture but does not include a substance that is :

- i. In a manufactured product (other than one used solely for the transportation or storage of the substance) and the substance is used in the operation of the product or the mere dispensing of the contents of the product constitutes the intended use of the substance; or
- ii. part of a manufactured product solely because the substance was used in the process of manufacturing the product.

Regulatory purposes :

Scientists have reached consensus that ozone depletion in the stratosphere is caused by ozone depleting chemicals. These chemicals contain chlorine or bromine atom with inherent chemical stability and have long lifetime in the atmosphere, in the range of 40 to 150 years. These chemicals and other trace gases drift up into the stratosphere and become involved in chlorine, releasing reactions. The chlorine atoms then react with the ozone molecules in the presence of sunlight and destroy the ozone molecules. Just one chlorofluorocarbon molecule can destroy lens of thousands of ozone molecules. Those ozone-depleting chemicals are extensively used man-made chemicals including the followings :

- chlorofluorocarbons 氟氯化碳 (CFCs)
- halons 哈龍
- 1.1.1-trichloroethane 三氯乙烷(methyl chloroform 甲基氯仿)
- Carbon tetrachloride 四氯化碳
- Methyl bromide 甲基溴
- hydrobromofluorocarbons 氟溴烴(HBFCs)
- hydrochlorofluorocarbons 氟氯烴(HCFCs)



Regulatory
requirement :

In accordance with the provisions of the Montreal Protocol on Substances that Deplete the Ozone Layer, all imports and exports of scheduled substances from / to non-parties to the Montreal Protocol are banned. In other words, the scheduled substances entering or leaving Hong Kong must be :

For imports :

- a) from a country that is a party to the Montreal Protocol or from a country that is not a party to the Protocol but is determined by a meeting of the parties to be in full compliance with Articles 2 and 4 and has submitted data to that effect as specified in Article 7 of the Protocol; and
- b) exported by an exporter who is located in a country that is a party to the Montreal Protocol; or in a country that is not a party to the Protocol but is determined by a meeting of the parties to be in full compliance with Article 2 and 4 and has submitted data to that effect as specified in Article 7 of the Protocol

For exports :

Exported to the country of destination which must be a country that is a party to the Montreal Protocol or a country that is not a party to the Protocol but is determined by meeting of the parties to be in full compliance with Articles 2 and 4 and has submitted data to that effect as specified in Article 7 of the Protocol.

(1) Registration under the Ozone Layer Protection Ordinance is a pre-requisite to the application of licences. All importers and exporters of ozone depleting substances must be registered with the Trade & Industry Department.

(2) For each shipment, must apply with :

Import : Import Licence (Appendix 43)

Export : Export Licence (Appendix 44)

Import and Export : Combined Import and Export Licence (Appendix 45)

Licensing Authority : A valid license issued by the Trade and Industry Department under the authority of the Department of Environmental Protection.

Website : https://www.tid.gov.hk/tc_chi/import_export/nontextiles/nt_ozone/nt_ozone_general.html

(7) Chinese Herbal medicines and Proprietary Chinese medicines

Legislation : Under the Import and Export (General) Regulations (Chapter 60, sub Leg A), Laws of Hong Kong

Controlled goods: The import and export of proprietary Chinese medicines and 36 types of Chinese herbal medicines (*including 31 Chinese herbal medicines specified in Schedule 1 and the 5 Chinese herbal medicines specified in Schedule 2 (Flos Campsis (凌 霄 花); processed Radix Aconiti (製 川 烏); processed Radix Aconiti Kusnezoffii (製 草 烏); Radix Clematidis (威 靈 仙) and Radix Gentianae (龍 膽) of the Chinese Medicine Ordinance*) as listed in the Schedule 1 and 2 to the Import and Export (General) Regulations (Chapter 60, sub Leg.A), Laws of Hong Kong, are subject to licensing control. Importation / Exportation of these articles must be covered by an import/ export licence issued by the Department of Health.

Licensing requirement: I. Application for Import/Export Licence of Proprietary Chinese Medicines

Import Licence (Form 3) (TRA187)(Appendix 38), Provide the copy of the following valid document and relevant

authorization document (if any) :

- “Certificate of Registration of proprietary Chinese medicine”, or
- “Notice of confirmation of transitional registration of proprietary Chinese medicine”, or
- “Notice of confirmation of (non-transitional) registration application of proprietary Chinese medicine”, or
- “Certificate for clinical trial and medicinal test”, or
- A document issued under section 158(1) of the Chinese Medicine Ordinance by the Chinese Medicines Board under the Chinese Medicine Council of Hong Kong, certifying that an exemption has been given for the proprietary Chinese medicine to be registered for the purposes of education or scientific research.

Export Licence (Form 6) (TRA 394)(Appendix 37), Provide a copy of the following valid document :

- “Certificate of registration of proprietary Chinese medicine”, or
- “Notice of confirmation of transitional registration of proprietary Chinese medicine”, or
- “Notice of confirmation of (non-transitional) registration application of proprietary Chinese medicine”

II. Application for Import / Export licence for Chinese Herbal Medicines

a) Application for an import licence should be made on Import Licence Form 3 (TRA 187)(Appendix 38), they have to complete the application forms and submit the following documents and information :

- A copy of the valid “Wholesaler Licence in Chinese herbal medicines”, or “Manufacturer Licence in proprietary Chinese medicines” of the applicant (returnable).
- A copy of valid “Business/Branch Registration Certificate (Form 2)” of the applicant (returnable).

- Copies of invoice or other documents evidencing business transaction.
 - A copy of written approval issued to the suppliers by the local supervisory authorities or related departments, stating that the suppliers are allowed to engage in the business or manufacture of the Chinese herbal medicines (e.g. the Pharmaceutical Trade Licence or the Pharmaceutical Production Licence) issued by the State Food and Drug Administration in China, and
 - A copy of local business licence of the suppliers (e.g. issued by the industry and commerce departments in China).
- b) Application for Export Licence (TRA394)(Appendix 37), they have to complete the application forms and submit the following documents and information :
- A copy of the valid “Wholesaler Licence in Chinese herbal medicines” of the applicant (returnable).
 - A copy of the valid “Business/Branch Registration Certificate (Form 2)” of the applicant (returnable);
 - Copies of invoice or other documents evidencing business transactions.

Licensing Authority : Department of Health, Chinese Medicine Division

Website:

<http://www.cmd.gov.hk/html/b5/service/ieccm.html>

(8) Frozen Meat, Chilled Meat, Frozen Poultry and Chilled Poultry

Legislation : The import of frozen meat, chilled meat, frozen poultry or chilled poultry requires an import licence under the Import and Export Ordinance (Cap.60). The Food and Environmental Hygiene Department is the designated authority to issue import licences for these commodities.

Controlled goods : The meat includes beef, mutton, pork, veal or lamb, and the offal of any animal from which such meat is derived. The poultry includes the carcass of a domestic fowl, duck, goose or turkey or any part of such a carcass, and any part of a bird mentioned above which is edible or used in the preparation of food.

Licensing requirement : Import Licence Form 3 (TRA187)(Appendix 38)
 Website : http://www.cfs.gov.hk/tc_chi/import/import_icfsg_07.html

(9) Toxic Chemicals other than Pesticides

Legislation : Under the Hazardous Chemicals Control Ordinance (Cap. 595)(HCCO), any person importing, exporting, transshipping or transiting a scheduled chemical must hold a valid activity-based Import Permit, Export Permit, Transshipment and Transit Permits for the chemical issued by the Environmental Protection Department (EPD) respectively. In addition, each consignment of scheduled chemical(s) entering/leaving Hong Kong must also be covered by a consignment-based import/export licence issued under the Import and Export Ordinance (Cap. 60) (IEO). The import/export licence requirements are also applicable to scheduled chemicals in transshipment. Such licences are issued by the EPD under the delegated authorities from the Director-General of Trade and Industry.

Regulatory purposes : The [Hazardous Chemicals Control Ordinance](#) (HCCO) aims to regulate, through a permit system, the import, export, manufacture and use of non-pesticide hazardous chemicals that have potentially harmful or adverse effects on human health or the environment, including those regulated by the Stockholm Convention and the Rotterdam Convention.

Licensing requirement :
 1. Any person applying for a consignment-based import/export licence under the IEO for a scheduled chemical is required to have in possession :
 a) A valid activity-based Import Permit, Export Permit or Transshipment and Transit Permits under the HCCO; and
 b) Evidence of explicit consent from export/import countries or regions, as appropriate.
 2. Any person planning to apply for a consignment-based import licence, unless otherwise exempted by the EPD, should submit evidence of explicit consent referred to in paragraph 1(b) above for verification by the EPD at least 15 working days in advance of the anticipated arrival date

of the shipment or before it leaves the exporting country, whichever is the earlier. Scheduled chemicals without valid explicit consent should not be shipped to Hong Kong.

3. Any person planning to apply for a consignment-based export licence, unless otherwise exempted by the EPD, should submit evidence of explicit consent referred to in paragraph 1(b) above for verification by the EPD at least 15 working days in advance of the anticipated departure date of the shipment.
4. Procedures to obtain the necessary explicit consent from exporting/importing countries or regions are as follows :
 - a) If you are an importer, you may ask your exporting counterpart to provide the necessary explicit consent documents to you.
 - b) If you are an exporter, you should obtain the explicit consent from the importing country or region directly.
 - c) Please note that a request for explicit consent to import/export scheduled chemical(s) may take up to 90 days to process. Therefore, any such application should be made well in advance of your intended date of import/export of the scheduled chemical(s).
5. a) For Import : Import Licence form 3(TRA187)(Appendix 38)
 b) For export : Export Licence form 6(TRA394)(Appendix 37)

Website : http://www.epd.gov.hk/epd/mobile/tc_chi/international_conventions/pops/hcco3.html

(10) Optical Disc. Mastering and Replication Equipment (ODMRE)

Legislation : Under the Import and Export (General) Regulations, Chapter 60A, Laws of Hong Kong, import of optical disc mastering and replication equipment is subject to a license issued by the Customs and Excise Department.

Licensing requirement : Any persons, who import or export Optical Disc. Mastering and Replication Equipment (ODMRE), are required to apply for import or export licences by completing :

- a) For import : Form 3 (TRA187)(Appendix 38)and

supplement to import licence CED372 (Appendix 46) with Photocopy of :

- Business Registration Certificate or applicant's identity card; and
 - Bill of lading or air waybill
- b) For export : Form 6(TRA394)(Appendix37) and supplement to export licence CED373 (Appendix 47) with photocopy of:
- Business Registration Certificate or applicant's identity card; and
 - Contract of sale, or invoice, or shipping order, or import authorization.

Website : http://www.customs.gov.hk/tc/trade_facilitation/optical_disc/import_export/index.html

(11) Pesticide

Legislation : The handling of pesticides in Hong Kong is regulated by the [Pesticides Ordinance \(Cap. 133\)](#) (the Ordinance). The Ordinance was last updated in 2013 by way of the Pesticides (Amendment) Ordinance 2013 to implement therein the requirements of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (the Rotterdam Convention) and the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention) which aims are to protect human health and the environment. The Pesticides (Amendment) Ordinance 2013 commences operation on 27 January 2014.

Under the Ordinance, the term "pesticide" means any insecticide, fungicide, herbicide, acaricide or any substance (whether organic or inorganic) or mixture of substances used or intended to be used for preventing, destroying, repelling, attracting, inhibiting or controlling any insect, rodent, bird, nematode, bacterium, fungus, weed or other form of plant or animal life or any virus, which is a pest; or any substance or mixture of substances used or intended to be used as a plant growth regulator, defoliant or desiccant. They range from agricultural insecticides, pest control chemicals and [antifouling](#)

[paints](#) to domestic use mothballs, rat poison, mosquito coils, mosquito liquid, etc. However, they do not include any purely mechanical device for trapping or catching insects, rodents or other animals; any purely electromagnetic or ultrasonic device for the control of mosquitoes, rodents or other pests; any antiseptic, disinfecting solution or preparation in clinical or sanitary applications; any pharmaceutical product within the meaning of the Pharmacy and Poisons Ordinance (Cap. 138), and any pesticide not listed in Schedule 1 nor in Part 1 of Schedule 2 to the Ordinance that is contained in an individual package or container not exceeding 10g or 10mL and used indoors for laboratory research, chemical analysis or as a reference standard. Such items do not fall under the scope of control under the Ordinance. Pesticides regulated under the Stockholm Convention and the Rotterdam Convention are set out in the two schedules to the Ordinance ([scheduled pesticides](#)).

Each shipment of registered pesticides, scheduled pesticides or any other unregistered pesticides entering/leaving Hong Kong must also be covered by an [import/export licence issued under the Import and Export Ordinance \(Cap. 60\)](#). All import/export licences, with the exception of those covering methyl bromide, are issued by AFCD under delegation from the Trade and Industry Department. Import/export licences for methyl bromide are issued directly by the Director-General of Trade and Industry.

Licensing requirement : a) For import : Import Licence Form 3(TRA187) (Appendix 38)
 b) For export : Export Licence Form 6(TRA394) (Appendix 37)
 Website : http://www.afcd.gov.hk/tc_chi/quarantine/qua_pesticide/qua_pes_pes/qua_pes_pes_ie_full.html

(12) Pharmaceutical products and medicines

Legislation : All import and export licences covering pharmaceutical products and medicines will be issued by the Department of Health under delegated authority of the Director-General of Trade and Industry under the Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong).

Controlled “Pharmaceutical products and medicines” mean any

- goods : substance or mixture of substances manufactured, sold, supplied or offered for sale or supply for use in :
- (a) the diagnosis, treatment, mitigation, alleviation or prevention of disease or any symptom thereof;
 - (b) the diagnosis, treatment, mitigation, alleviation of any abnormal physical or physiological state or any symptom thereof;
 - (c) altering, modifying, correcting or restoring any organic function, in human beings or in animals.
- Licensing requirement : a) For import : Import Licence Form 3(TRA187) (Appendix 38)
b) For export : Export Licence Form 6(TRA394) (Appendix 37)
- Remark: The following 5 pharmaceutical raw materials (active pharmaceutical ingredients), namely ephedrine, ergotamine, ergometrine, pseudoephedrine, norephedrine (phenylpropanolamine) and their salts are controlled chemicals subject to the additional licensing control and requirement of import or export authorization under the Control of Chemicals Ordinance, Chapter 145 of the Laws of Hong Kong, administered by the Customs and Excise Department. To save traders' time in lodging relevant applications to two departments for approval, completed import licence Form 3/export licence Form 6 together with the corresponding application for import/export authorization covering these substances should be lodged to the Licensing Unit of the Controlled Chemicals Group, Customs and Excise Department, at Room 631, 6/F, North Point Government Offices, 333 Java Road, North Point, Hong Kong. Both the licence and authorization shall be available for collection at the Licensing Unit after processing.
- Website : http://www.drugoffice.gov.hk/eps/do/tc/doc/guidelines_forms/Trade-app-ie-c.pdf

(13) Radioactive Substances and Irradiating Apparatus

- Legislation : Under the Import (Radiation) (Prohibition) Regulations (Subsidiary legislation under Cap. 60 of the Laws of Hong Kong), import of radioactive substances and irradiating apparatus are required to be under and in accordance with valid import licences issued by the Director-General of Trade

and Industry.

Exports of these products are, however, not subject to licensing control.

Licensing requirement: Import Licence for Radioactive Substance and Irradiating Apparatus (TRA-RSIA(2014)) (“Import Licence”) is issued to holders of Radioactive Substances Licence, Irradiating Apparatus Licence or Letter of Exemption issued by the Radiation Board.

Radioactive Substances Licence and Application Procedures :

May use form RSF1 to apply for a licence that permits you to import, deal in or deal with, manufacture, produce, possess, or use radioactive substances in Hong Kong

Licence for Possession of an Irradiating Apparatus in Non-functional State :

- This licence is required to cover the possession of irradiating apparatus at specified premises where it is being installed.
- Use of the irradiating apparatus is not allowed under this licence
- This type of licence is valid for 12 months or until replaced by a licence for possession of irradiating apparatus in functional state, whichever first occurs.
- Form Required : DH1271(S)

Website : <http://www.info.gov.hk/dh-rhu/tc/html/ILmain.htm>

(II) Dutiable Commodities

(A) Tax calculations :

The Customs and Excise Department is responsible for protection and collection of revenue on four types of dutiable commodities which are liquors, tobacco, hydrocarbon oil and methyl alcohol.

Website refer to : http://www.customs.gov.hk/tc/trade_facilitation/dutiable/

(1) Liquor

Duty shall be payable on the following types of liquor at the rates, expressed as a percentage of the value.

Type of Liquor	Rate
1 Liquor with an alcoholic strength of more than 30% by volume measured at a temperature of 20° C	100%
2 Liquor, other than wine, with an alcoholic strength of not more than 30% by volume measured at a temperature of 20° C	0%
3 Wine	0%

Where there is no or insufficient information available from which Commissioner of Customs and Excise (or any officer authorized by him on his behalf) is able to determine the value of any quantity of liquor of less than 12 litres, imported at any time in one consignment, he may assess the duty payable on such liquor at the rate of \$160 per litre.

Export Statement : CED39(L)(Appendix 49)

Import Statement : CED40(L)(Appendix 50)

** The above tax rates and information are for reference only. The trainer should use the latest and the most accurate content for training.

(2) Tobacco

Duty shall be payable at the following rates :

1 For each 1000 cigarettes	HK\$1,906
.	
2 Cigars	HK\$2,455/kg
.	
3 Chinese prepared tobacco	HK\$468/kg
.	
4 All other manufactured tobacco except tobacco intended for the manufacture of cigarettes	HK\$2,309/kg

Export Statement : CED39(T)(Appendix 51)

Import Statement : CED40(T)(Appendix 52)

** The above tax rates and information are for reference only. The trainer should use the latest and the most accurate content for training.

(3) Hydrocarbon Oil

Duty shall be payable on hydrocarbon oil at the following rates per litre :

1 Aircraft spirit	HK\$6.51
.	
2 Motor spirit (leaded petrol)	HK\$6.82

.	
3	Motor spirit (unleaded petrol) HK\$6.06
.	
4	Light diesel oil HK\$2.89
.	
5	Ultra Low Sulphur diesel HK\$2.89
.	
6	Euro V diesel HK\$0.00
.	

Export Statement : CED39(H)(Appendix 53)

Import Statement : CED40(H)(Appendix 54)

** The above tax rates and information are for reference only. The trainer should use the latest and the most accurate content for training.

(4) Methyl Alcohol

Duty shall be payable on methyl alcohol and any admixture containing methyl alcohol at the rate of \$840 per hectolitre measured at a temperature of 20C and in addition, for every 1% by which the alcoholic strength by volume exceeds 30%, \$28.10 per hectolitre.

Export Statement : CED39(M)(Appendix 55)

Import Statement : CED40(M)(Appendix 56)

** The above tax rates and information are for reference only. The trainer should use the latest and the most accurate content for training.

(B) Assessment of Duty on Liquors

(1) When duty assessment on liquors is required ?

Duty assessment is required when liquor products are imported or manufactured for local consumption. Duty on liquors is calculated according to a specific rate expressed as a percentage of the value of the product. Currently, only liquor products with an alcoholic strength of more than 30% are subject to duty, and the duty rate is 100% of the value of the products.

(2) Legal basis for valuation of liquors

The valuation basis is stipulated in section 26A of the Dutiable Commodities Ordinance. The transaction value of the liquor products is used as the primary basis of determining the value of the products for duty assessment. It is the price actually paid or payable

for the products plus packing costs, commission or brokerage, royalty or licence fee the buyer is required to pay and any proceeds accrued to the seller. The value excludes insurance premium, freight charges and any other expenses incidental to the delivery of the products.

(3) Documents required :

- Invoice
- Sales Contract
- Price List
- Payment Record
- Purchase Order; and
- Other documents which C&ED may require

(4) Power to fix a value for duty assessment

C&ED may fix a value of the products for duty assessment if the declared value is not supported by valid documentation or the information about the value of the products stated in any document produced is insufficient or inaccurate.

(C) Licence

1. When a licence is required ?

A person who imports, exports, stores or manufactures dutiable commodities must possess a valid licence.

2. Types of licence

- 1) Import and Export Licence
- 2) Manufacturer's Licence
- 3) Warehouse Licence (Public Bonded Warehouse Licence, General Bonded Warehouse Licence and Licensed Warehouse Licence.)

3 Application procedures

- . A person who wishes to apply for a licence is required to complete an application form "Application for Licence (CED 65)" and return it with supporting documents, either in person or by mail, to the Licence Unit of the C&ED. For change of particulars of a licence, a person is required to complete an application form "Application for Change of Licence Particulars (CED 111)"

A licence applicant must be 18 years old or above and is required to produce supporting documents, such as Business Registration Certificate, Tenancy Agreement, Certificate of Incorporation, etc. depending on the type of licence applied.

A licence is valid for one year. Before the licence expires, the licensee needs to renew the licence and pay the relevant renewal fee. Two

months before the expiry of a licence, the licensee will receive a renewal notice and an application form from the Licence Unit of the C&ED. He is required to complete the application form and return it to the Licence Unit either by post or in person.

4 Application form

. Licence application form (with checklist on the supporting documents) can be obtained from :

a) Licence Unit

Office of Dutiable Commodities Administration

Customs and Excise Department

3/F., Customs Headquarters Building

222 Java Road

North Point

Hong Kong, or

b) Website of the Customs and Excise Department

http://www.customs.gov.hk/filemanager/common/pdf/pdf_forms/ced65.pdf

Duly completed application form, together with any supporting documents, can be returned in person or by post to the Licence Unit of the C&ED for processing

(D) Permit

A person who removes any dutiable commodity is required to obtain a permit from the C&ED. A permit applicant is advised to consult the Permit Unit of the C&ED about the details at 37592500

Type of Permit

1) Removal Permit for dutiable Goods (CED43L(A))(Appendix 57)

- a) First Removal Permit is required when dutiable goods are removed from an importing conveyance to a bonded warehouse.
- b) Referral Removal Permit is required when dutiable goods are removed from a bonded warehouse to another bonded warehouse.

2) Removal Permit for Duty-Paid Goods (CED53L(A)) (Appendix 58)

- a) First Removal Permit for Duty-Paid Goods is required when :
 - Goods are removed for local use from the importing conveyance upon payment of the full duty
 - Goods which are exempted from duty are removed for local use from importing conveyance;
 - Goods to which the Dutiable Commodities Ordinance applies but attracting no duty are removed from the importing conveyance

for local use or to an exporting conveyance for re-export.

- b) Referral Removal Permit for Duty-Paid Goods is required when :
 - Goods are removed for local use from a bonded warehouse upon payment of the full duty
 - Goods which are exempted from duty are removed for local use from a bonded warehouse
 - Dutiable goods are removed from a bonded warehouse to a place where the goods will be destroyed with Customs' prior approval.
- 3) Export Permit (CED82)(Appendix 59)
 - a) First Ships' Stores Permit is required when dutiable goods used as ships' stores are removed from an importing conveyance to an exporting conveyance.
 - b) Referral Ships' Stores Permit is required when dutiable goods used as ships' stores are removed from a bonded warehouse to an exporting conveyance.
- 4) Ships' Stores Permit (CED45) (Appendix 60)
 - a) First Ships' Stores Permit is required when dutiable goods used as ships' stores are removed from an importing conveyance to an exporting conveyance.
 - b) Referral Ships' Stores Permit is required when dutiable goods used as ships' stores are removed from a bonded warehouse to an exporting conveyance.
- 5) Electronic Dutiable Commodities Permit Service

All permit applications have to be submitted electronically to the C&ED from 7am to 11pm every day (including Saturdays, Sundays and public holidays) through one of the following designated electronic service providers :

 - Tradelink Electronic Commerce Limited ("Tradelink")
 - Global e-Trading Services Limited ("Ge-TS")
 - Brio electronic Commerce Limited ("Brio")

For enquiries about registration as user of the Electronic Dutiable Commodities Permits ("E-DCP") service, a person may contact Tradelink at 2599 1700, Ge-TS at 8201 0082 or Brio at 2111 1611
- 6) Permit conditions

The C&ED may impose permit conditions in granting a permit for various

control reasons. The permit conditions will normally be stipulated in Part III of the permit. A permittee has to comply with the permit condition(s) imposed on a permit.

(E) Duty payment and Refund Duty

A. Method of duty payment

In the case of an application for a Duty-Paid Permit, upon completion of duty assessment, the C&ED will notify the permit applicant of the duty payable by means of a Payment Notification via the e-DCP system. The permit applicant may take duty payment via the following ways :

- At any branch of the Bank of China (Hong Kong) Limited, Nanyang Commercial Bank Limited or Chiyu Banking Corporation Limited
- In cash or by cheque payable to the “Hong Kong SAR Government” or “Customs and Excise Department”
- Through the Cheque Deposit Machine; or
- Through Internet banking service or online Corporate Banking Services provided by the Bank of China Group.

A permit applicant is required to send a “Payment Confirmation Advice” message through the e-DCP system to C&ED after settling the duty payment. The e-DCP system will approve a Duty-paid permit thereafter. The permit applicant is advised to note the following procedures when preparing the “Payment Confirmation Advice” :

- Unique Permit Reference No. (URN)
It is a 14-digit reference number generated by the electronic service provider for permit application. The URN has to be included.
- Payment Type
The payment method (i.e. by cash, by cheque, by Internet or by CBS) has to be indicated.
- Bill Reference Number
It is a 16-digit reference number in the “Payment Notification” message which confirms whether duty payment for a specific permit has been made. This number has to be included.

B. Refund and Repayment of Duty

The C&ED may grant a refund of duty subject to the following conditions specified in the law :

1. Duty-paid goods exported from Hong Kong with the written consent of the Commissioner, provided that the duty refunded shall in no case exceed the duty paid on the goods.
2. Duty-paid goods imported with the description, quality, state or condition not in accordance with the contract of sale or damaged in transit, and subsequently with the contract of sale or damaged in transit, and subsequently destroyed in Hong Kong or returned to the supplier outside Hong Kong with the written consent of the Commissioner.
3. Duty-paid goods used in the manufacture of dutiable goods provided that the duty refunded shall in no case exceed the duty paid on the goods.
4. Duty-paid goods supplied for consular use
5. Duty-paid goods drawn as samples for analysis by the Government Chemist
6. Reasonable quantity of duty-paid fuel placed in the fuel tank of any pleasure vessel of more than 60 tons net register and for use by that vessel in reaching an identified port outside Hong Kong, and
7. Duty-paid light diesel oil used in franchised buses.

Depending on the circumstances, the C&ED may grant a repayment of duty in cases of the following nature :

- Shortage/breakages of duty-paid goods
- Duty overpaid due to incorrect assessment
- Duty paid on denatured spirits or methyl alcohol with certification of the Government Chemist
- Cancellation of Duty-paid permits

C. Application procedures

An application form "Application for Refund of Duties CED28A(Appendix 61)/ CED314e(Appendix 62) with the following documents as :

- A written explanation of the incident and the justification for refund/repayment of duty
- Copies of the permit under claim and "Executed Permit Advice"
- Purchase order and invoice
- Payment record
- Bill of Lading
- Letter of confirmation from the supplier/bonded warehouse, as appropriate, and
- Others documents which C&ED may require.

(F) Warehouse and Customs Attendance

Dutiable goods should be stored in a bonded warehouse unless the full duty is paid. Any persons operating a warehouse for the storage of dutiable goods should possess a warehouse licence and are required to ensure safekeeping and accurate recording of the goods in their warehouse.

Customs attendance is necessary in the following circumstances :

1. Destruction of dutiable goods
- 2 Sample drawing, and
- 3 Denaturing of dutiable goods

Apart from supervision of destruction of dutiable goods or specially required by Department, Customs attendance fees are generally waived.

(G) Facilitation Measures on Import of Wine Introduced by C&ED

Since July 1, 2008, the Customs and Excise Department (C&ED) has introduced the following facilitation measures on wine imported by air and by sea inside “temperature-controlled containers”.

- 1 Upon abolition of tax on wine, the import arrangements for wine are the same as those for general uncontrolled imports. That is, a wine importer or its agent may retrieve the above cargo at the control point concerned promptly if a cargo examination by the C&ED is not required.
- 2 If the C&ED deems it necessary to conduct an examination of the above cargo in order to confirm whether there is any contraband, a wine importer or its agents may lodge an application to the C&ED so that the examination will be conducted on the premises designated by the importer or its agent (for example, premises with temperature and humidity control facilities). Subject to the C&ED manpower deployment, an examination will generally be conducted on the premises designated by the importer or its agent (for example, premises with temperature and humidity control facilities) within two hours (for air cargo) or 24 hours (for sea cargo) after the receipt of an application submitted by the importer or its agent concerned.
- 3 The aforesaid facilitation measures are temporarily applicable only to wine imported by air and by sea inside “temperature-controlled containers” so that the cargoes may be kept in facilities equipped with temperature control during Customs examination to avoid any disturbance to the storage environment of the wine. The C&ED will review the arrangement from time to time according to the needs of the industry.

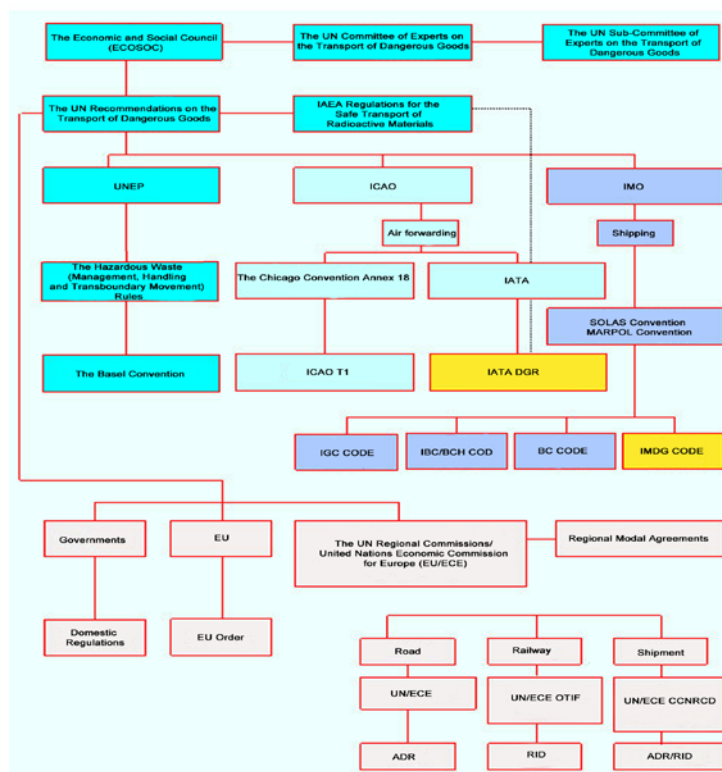
(III) Dangerous Goods

Based on the recommendations of the United Nations, sea-shipment and air-shipment of dangerous goods are conducted in compliance with the restrictions imposed by the IMO (International Maritime Organization) and the ICAO (International Civil Aviation Organization) respectively, and transboundary movements of harmful waste are carried out in accordance with the Basel Convention restrictions of the UNEP (United Nations Environment Programme).

Meanwhile, the safe transport of radioactive materials follows the IAEA (International Atomic Energy Agency) regulations instead of the UN recommendations.

Nevertheless, EC, UN and numerous country and regional committees have taken the recommendations made by the UN as a basis or reference, regulating and restricting the transportation of dangerous goods. The transportations of dangerous goods can be classified into: Land-shipment, conducted based on regulations of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR); Rail transport, conducted based on Regulations for the Carriage of Dangerous Goods on the Rhine (ADNR).

[Diagram] International organisations and regulations in relation to the transport of dangerous goods



1. IMO (International Maritime Organization)

IMO focuses on the marine safety of sea-shipment of dangerous goods and regulate shipping of dangerous goods, i.e. developed International Maritime Dangerous Goods Code (IMDG Code) regulating the container, package, mark, loading method and segregation of dangerous goods as well as information regarding the ships in 1971.

Amendments to SOLAS chapter VII make the IMDG Code mandatory from 1 January, 2004 and every country in the world uses IMDG Code (all of it or part of it) as a basis for shipping regulations concerning the marine safety of sea-shipment of dangerous goods. IMDG Code specifies reminders and regulations about the containers of the dangerous goods during the sea-shipment. Dangerous goods in the form of solid, liquid and liquefied gas are regulated by the Code of Safe Practice for Solid Bulk Cargoes (BC Code), the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IBC Code) and the International Code for The Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code) respectively.

1) Classification of Dangerous Goods

The International Maritime Dangerous Goods (“IMDG”) Code was developed based on the system laid down by the United Nations (UN) Economic and Social Council's Committee of Experts on the Transport of Dangerous Goods. Dangerous goods are classified into 9 categories for uniformity in labelling and to facilitate the conveyance of the goods.

<u>Categorization of Dangerous Goods</u>	<u>Type of Dangerous Substances</u>
Category 1	Explosives
1.1	Substances and articles which have a mass explosion hazard
1.2	Substances and articles which have a projection hazard but not a mass explosion hazard
1.3	Substances and articles which have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard

1.4	Substances and articles which present no significant hazard
1.5	Very insensitive substances which have a mass explosion hazard
1.6	Extremely insensitive articles which do not have a mass explosion hazard
Category 2	Gases
2.1	Flammable Gas
2.2	Non-Flammable and Non-Toxic Gas
2.3	Toxic Gas
Category 3	Flammable liquid
Category 4	Flammable Solid; Substances Liable to Spontaneous Combustion; Substances Which, In Contact with water, Emit Flammable Gases
4.1	Flammable Solid
4.2	Substances Liable to Spontaneous Combustion
4.3	Substances which, in contact with water, Emit Flammable Gases
Category 5	Oxidizing Substances and Organic Peroxides
5.1	Oxidizer
5.2	Organic Peroxides
Category 6	Toxic and Infectious Substances
6.1	Toxic Substances
6.2	Infectious Substances
Category 7	Radioactive Material
7A	Radioactive I
7B	Radioactive II
7C	Radioactive III Fissile material
Category 8	Corrosive materials
Category 9	Miscellaneous Dangerous Goods

2) Dangerous Goods Packaging

Packaging is essential to ensure the safe conveyance of dangerous goods. All shippers would expect their goods arrive at the destination intact and safe. In respect of the packaging of dangerous goods, the DGR & IMDG

Code provides the correct packaging methods. The set of rules, apart from restricting the quantity of goods in the packaging, require inner packaging within strong outer packaging and absorbent or other materials to be added.

3) Marking and Labelling of Dangerous Goods

In regards of dangerous goods or packaged goods, accurate Marking and Labelling are important elements for their safe conveyance. Shippers are responsible for marking the packaged goods correctly. Freight forwarders and operators (Airline) or other receivers should ensure the correct Marking/Labelling has been made before loading.

Meanings of Marking and Labelling

- a) Indicate the name of substances inside the dangerous goods packaging
- b) Represent compliance with the dangerous goods packaging requirements
- c) Provide information for safe receipt and storage of dangerous goods
- d) Show the nature of the dangerous goods

1. Marking:

In regards of dangerous goods, packaged goods and packages with two layers, clearly indicate the following items:

- a) Name and explanation
- b) United Nations Number
- c) The Name and Address of the Shipper and Receiver

2. Notes for Additional Marking

Class 1	Explosives	The Net Quantity of explosives and the Gross Weight of the package.
Class 2	Refrigerated liquefied gases of class 2 (This mark is not required for class 2 dangerous goods but is	"Keep Upright", "Do not Drop-Handle with Care" "This Way Up" label

only applicable to
P1202)





















Division 6.2 Infectious substance Name and Telephone Number
of the Responsible party








UN 1845 Carbon Dioxide Dry Ice
(Solid Carbon Dioxide)

UN 3373 Diagnostic specimens "BIOLOGICAL SUBSTANCE,
or Clinical specimens CATEGORY B"



Hazard Labels

Class					
1 Explosives					
					
2 Gases					
3 Flammable Liquids					
4 Flammable Solids					
5 Oxidizing Substances					
6 Toxic and Infectious Substances					

7 Radioactive Material					
8 Corrosives					
9 Miscellaneous Dangerous Goods					

Please refer to the following website for more details of the above labels:
<http://www.iata.org/publications/dgr/Pages/hazard-labels.aspx>

4) Reminders for Loading Dangerous Goods

Regarding shipping dangerous goods, shippers have obligations and duties for:

- a) Use certificated containers for packing dangerous goods from authorized institutions.
- b) Pack dangerous goods in compliance with the instructions of the container manufacturer.
- c) After packing, ensure marking/label is correctly and firmly sticking on the container as well as clearly noticeable.
- d) Ensure goods inside the containers are held firmly and prevent them from slipping or damages during shipping because of external forces
- e) After loading, ensure the four sides of the container are stuck with a correct dangerous goods marking/label
- f) Prepare and provide documentations for declaration and related documents for dangerous goods
- g) Provide information for contingency and emergency in case there is an abnormal situation for the dangerous goods
- h) Obtain documents for approving the import, export and shipping of the dangerous goods

5) Information regarding exporting dangerous goods provided by the shipper

- a) Proper Shipping Name
- b) Class and Division of the Dangerous Goods
- c) United Nations Number of the Dangerous Goods

- d) Package Group of the Dangerous Goods
 - e) Detailed information regarding the outer and inner layers of the package
 - f) Total Weight of the Dangerous Goods
 - g) Subsidiary Risk
 - h) if the Dangerous Goods is Marine Pollutant
 - i) Flash-point
 - j) 24-hour emergency contact person and phone number (Compulsory requirement for shipping dangerous goods in the USA)
- 6) Regulation on Dangerous Goods Contracts - The following classes of dangerous goods are prohibited:
- a) IMO Class 1, excluding Class 1.3G & Class 1.4
 - b) IMO Class 2.3
 - c) IMO Class 6.2
 - d) IMO Class 7

2. ICAO (International Civil Aviation Organization)

ICAO has also accepted the recommendations made by the United Nations and established the Technical Instructions for the Safe Transport of Dangerous Goods by Air (ICAO TI) based on the standard of the air shipment of the dangerous goods. Besides, The International Air Transport Association (IATA), an international organization of airline companies, has set a standard for the safe shipment of the dangerous goods. The regulations on the air shipment of dangerous goods are in line with the contents of ICAO TI.

**** The following contents related to ICAO including graphs from P.66-86 are referenced from the ICAO version dated 1 Jan, 2014. Trainers should verify the contents with the final amended version for training.**

- 1) Relationship between Air shipment goods and air shipment dangerous goods
- (1) Classification of air shipment goods
 - Ordinary Goods
 - Special Goods
 - (2) Dangerous goods are included under the special goods. Other special goods include goods related to livestock cargo, expensive goods, coffin or bone ash, machinery, ammunition, wet goods,

perishable goods, cars, engines, personal goods (for shipment), etc.

- 2) Definition of Dangerous Goods
 - (1) Goods that threaten health, safety, property and environment;
 - (2) Dangerous Goods listed in the Dangerous Goods List in the book of IATA DGR;
 - (3) Goods undergone classification of dangerous goods based on the guidelines from the book of the IATA DGR.

- 3) Basis for air shipment of dangerous goods
 - (1) ICAO : Technical Instructions for the safe transport of Dangerous Goods by Air
 - (2) IATA : Dangerous Goods Regulations

- 4) Target for IATA
 - (1) Members of IATA
 - (2) Shippers and Air Freight Agent

- 5) Rules for Safe Shipment of Dangerous Goods
 - (1) Classification
 - (2) Regulation
 - (3) Training
 - (4) Package
 - (5) Filling Marking and Sticking Label for Dangerous Goods
 - (6) Filling Declaration Form for the Dangerous Goods
 - (7) Notify the plane captain regarding the presence of dangerous goods
 - (8) Avoid loading hidden dangerous goods onto the plane
 - (9) Report any dangerous goods accident and incident

- 6) Applications of the IATA DGR
 - (1) Cannot request airline Company to ship certain goods based on this book;
 - (2) Cannot refuse the following two requirements from the airline company:
 - a) Include other stricter requests beyond the requirements in the book of IATA DGR

- b) Include additional certificates or signature from institutions appointed by the airline companies on the Shipper's DG Declaration

- 7) Content of the IATA DGR:

Includes 10 chapters and several annexes, with the following contents:

 - a) Application
 - b) Regulation
 - c) Classification
 - d) Identification
 - e) Packaging
 - f) Package Identification and Function Test
 - g) Filling Marking and Sticking Label
 - h) Handling
 - i) Radioactive Material
 - j) Others

- 8) Shippable and non-shippable dangerous goods:
 - (1) Shippable Dangerous goods:
 - a) Passengers' luggage allowed by the airline companies (according to DGR)
 - b) Dangerous Goods Listed in the DG List
 - c) Items belonged to the crew and dangerous goods owed by the airline companies
 - (2) Non-shippable Dangerous Goods

All goods which are explosive and bear dangerous reactivity, release smoke or heat, or those which are toxin-releasing, corrosive or flammable gas and spray, etc, are all regarded as non-shippable dangerous goods. Usually these dangerous goods are identified as "Forbidden" in the List of dangerous Goods.

However, under certain circumstances, related authorities could apply for an exemption allowing the airline companies to ship the above dangerous goods. Nevertheless, the airline companies must take sufficient precautionary measures for safety, thereby fulfilling the requirements and circumstances for the exemption and shipping the dangerous goods forbidden for shipment include the following:

 - A. The following classes of radioactive materials:

- a) Type B(M) Packaged (Radioactive) Materials with small hole
 - b) Packaged (Radioactive) Materials requiring external assistive cooling system
 - c) Explosive Radioactive Materials
 - d) Radioactive Materials requiring operational control during shipment
 - e) Radioactive Materials liable to Spontaneous Combustion
 - B. Articles and Substances which are identified as "FORBIDDEN" in the List of Dangerous Goods
 - C. Live Animals with Infectious Disease
 - D. Liquid with misty inhalational toxicity requiring package in Packing Group 1
 - E. Dangerous Goods with temperature equal to or exceeding 100° C (212° F) in liquid form; equal to or exceeding 240° C (464° F) in solid form
 - F. Any Dangerous Goods forbidden for shipment by related authorities
- 9) General Requirements for air shipment of dangerous goods
- (1) Any party who must follow the requirements of IATA DGR for preparing the dangerous goods when handing in dangerous goods for air shipment in order to initiate an air-shipment;
 - (2) Any party who takes the place of another non-qualified party for applying an air shipment must also follow the requirements of IATA DGR to prepare the dangerous goods before air shipment;
 - (3) When shipping the dangerous goods, the forwarder must also follow the requirements of the IATA DGR;
 - (4) Including the manufacturer, all parties involved in each step related to the packing and containers of the dangerous goods (such as manufacturing, maintenance, marking, etc) must follow the requirements of IATA DGR;
 - (5) Unless allowed by the articles in IATA DGR 2.3, all parties are forbidden to carry any dangerous goods or danger-inducing goods on the plane. This requirement applies to hand-carrying, baggage on his person, and checked baggage.

- 10) The Responsibilities of the Shipper in the Air shipment of Dangerous Goods
 - (1) General Responsibilities
 - a) The shipper must provide sufficient and correct information regarding the relevant goods
 - b) The shipper must ensure the dangerous goods to be shipped are precisely identified, classified, packed, marked and labelled as well as prepare relevant documentations according to the Dangerous Goods Regulations
 - (2) Special Responsibilities
 - a) Ensure the parties processing the dangerous goods are trained for handling dangerous goods
 - b) Ensure no dangerous goods forbidden for shipment are present in the goods to be shipped
 - (3) Other Special Responsibilities
 - a) The shipper must ensure the packing of the dangerous goods meets the requirements of the air shipment
 - b) Before handing in the goods for air shipment, the shipper must check against any hidden dangerous goods present in the documents or the surface of the package

Under the Dangerous Goods (Consignment by Air) (Safety) Regulations Chapter 384 Subsidiary Legislation, consignors i.e. shippers and freight forwarders must ensure all dangerous goods are properly classified, packed, marked, labelled and documented before they are offered for air transportation. A person who contravenes these Regulations commits an offence and is liable to a fine of \$250,000 and to imprisonment for 2 years.

If you are uncertain whether the goods you consign is dangerous goods, you can contact your supplier or manufacturer of goods to obtain the Material Safety Data Sheet (MSDS) which shows the physical and chemical properties of goods. Then you can contact your freight forwarder or airline for advice and assistance if any special arrangements are required.

You must never falsely describe the goods, or offer the goods for air carriage when you have doubts about their properties. False description

of dangerous goods and improper packing and handling can result in a maximum fine of \$250,000 and to imprisonment for 2 years.

- 11) The Responsibilities of Forwarder in air shipment of dangerous goods
 - (1) Acceptance & Checking;
 - (2) Storage;
 - (3) Loading & Unloading;
 - (4) Inspection;
 - (5) Provision of Information;
 - (6) In case of Dangerous Goods Incidents or Dangerous Goods Accidents, report to the relevant local departments and document Dangerous Goods Incidents & Accidents Report;
 - (7) Keep all related records concerning the dangerous goods;
 - (8) Arrange Regular/ Special Training for understanding or processing dangerous goods.

- 12) Requirements on Training regarding knowledge about and handling of dangerous goods

In accordance with regulations from relevant authorities, basically every person in contact with the dangerous goods is required to receive training on knowledge about dangerous goods. The plan and contents of training vary and depend on the industry and working nature. Ordinary training about air shipment of dangerous goods can be classified into three areas:

- (1) Familiarization
- (2) Special Training
- (3) Safety training

According to the DGR, within the 24 months after receiving relevant trainings, the trained person is required to undergo a recurrent training and finish an exam. The qualification would only be awarded after passing the exam.

- 13) Security Training
 - (1) All parties involved in the shipment of dangerous goods are required to pay attention to the security requirements and implement security plan and training.

- (2) Security Requirements and increase security level for highly dangerous goods

Highly Dangerous Goods include:

- (a) Div.1.1 explosives
- (b) Div.1.2 explosives
- (c) Div.1.3, compatibility group C explosives :
- (d) Div.1.4 explosives : UN 0104, UN 0237, UN 0255, UN 0267, UN 0289, UN 0361, UN 0365, UN 0366, UN 0440, UN 0441, UN 0455, UN 0456, UN 0500;
- (e) Div.1.5 explosives
- (f) Div.2.3 toxic gases (excluding aerosols)
- (g) Div. 3 desensitized explosives
- (h) Div. 4.1 desensitized explosives
- (i) Div. 6.1 Toxic Materials requiring Packing Group 1 for packaging
- (j) Div 6.2 Type A infectious substance
- (k) Div. radioactive materials ---
 - (i) Radioactive material in quantities greater than 3,000 A1 (Special form) ;
 - (ii) Radioactive materials in quantities greater than 3,000 A2 (Other form) ;

Items requiring packaging in Type B and Type C packages because of the above two forms.

- 14) Passengers and crew also need to understand dangerous goods such as Hidden Dangerous Goods listed in the IATA DGR. This can facilitate the identification of items with potential danger by the passengers, crew, relevant people who are in contact with the dangerous goods and, possibly, ordinary people.

Classical Example of Hidden Dangerous Goods

<u>Description of Goods</u>	<u>Dangerous Items</u>
Car Parts	Car Battery, Airbag Inflator
Camping Equipment	Camping Stove, Camping Lamp
Chemicals	Flammable Liquid, Flammable Solid, Toxin-releasing, corrosive or Flammable Materials
Diving Equipment	Oxygen Tank ,Diving Lamp
Frozen Items	Dry Ice

- 15) When passengers are boarding, dangerous goods allowed for carriage onto the plane can usually be classified as the following three classes:
- (1) Class 1: Goods requiring informing airline company and plane captain for carriage
 - (2) Class 2: Goods requiring informing airline company but not the plane captain for carriage
 - (3) Class 3: Class 2: Goods not requiring informing airline company nor the plane captain for carriage

All parties, unless allowed by Subsection 2.3 of DGR, are forbidden to carry or ship dangerous goods by any means (including checked baggage, carry baggage and on his person).

16) Dangerous Goods inside Air Mail

Besides the dangerous goods listed in IATA DGR 2.4, dangerous goods are basically forbidden shipment by air mail.

Dangerous goods listed in IATA DGR 2.4, which can be shipped by air mail, include the following three classes:

- (1) Patient's specimen: must be handled according to the requirements of IATA DGR 3.6.2.2.3.6;
- (2) Infectious Substance: Only Biological substances, Category B listed in UN3373 under the conditions of being packed according to Packing Instruction 650 requirements and using Carbon dioxide, solid/Dry ice as refrigerant for packing the infectious substance are allowed;
- (3) Radioactive material: Only those with dosage lower than that of Excepted Package by 1/10 are allowed.

17) Dangerous Goods in the assets of the operators

- (1) Some dangerous goods, when meeting the following requirements, can be shipped by plane:
 - a) In compliance with suitable flying condition;
 - b) In compliance with the flying operation regulations;
 - c) Approved by the government of the operator
- (2) When the above three requirements are met, the following dangerous goods can be air shipped as assets of the operator by the operator:
 - a) life raft; life jackets; emergency escape slides -- These items

may contain a cylinder of compressed gas.

- b) first aid kits; flares.
- c) aerosols; alcoholic beverages; perfumes and colognes; safety matches; liquefied gas lighters -- These items containing dangerous components are for use or sale by the operators on the plane.
- d) carbon dioxide, solid/dry ice – For refrigerating the food and drinks on the plane.

- (3) However, materials and substances shipped in specially designed containers by the operator can be exemptions. The containers should at least meet the basic requirements of DGR2.5.2.1 for packing the items.

18) Excepted Quantities of Dangerous Goods

- (1) Documentation, sticking hazard labels and segregation in loading can be exempted for a very small quantity of dangerous goods by special provisions.
- (2) Handling of excepted quantities of dangerous goods are required to follow the articles of IATA DGR 9.3.1 concerning loading restrictions.
- (3) Besides, the air shippers of this type of dangerous goods does not require informing the plane captain about NOTOC.
- (4) When shipping this type of dangerous goods, the following packing marks are required for the ease of identification.

19) Classification of Dangerous Goods:

- (1) Class 1 : Explosives (REX)..... ;
- (2) Class 2 : Gases (RFG/RNG/RPG) ;
- (3) Class 3 : Flammable Liquid (RFL) ;
- (4) Class 4 : Flammable Solid, Spontaneous Combustion Substances, Substances, when in contact with water, emit flammable gases (RFS/RSC/RFW) ;
- (5) Class 5 : Oxidizing substances (ROX), Organic Peroxides (ROP);
- (6) Class 6 : Toxic substances (RPB), Infectious Substances (RIS);
- (7) Class 7 : Radioactive Material (RRW/RRY);
- (8) Class 8 : Corrosives (RCM) ;
- (9) Class 9 : Miscellaneous DG (RMD).... °

- 20) Requirements on the Package of Dangerous Goods:
- (1) Type of the container used in the package
 - (2) contents and volume limit of the package
 - (3) UN Specification Markings
 - (4) Excepted Quantities DG and Limited Quantities
 - (5) Requirements on different classes of dangerous goods in the same container
 - (6) Overpacks

Summary of the Packing container of dangerous goods

The packing container of dangerous goods (except radioactive materials) is classified according to the nature of its contents:

(#General Packing Requirements)

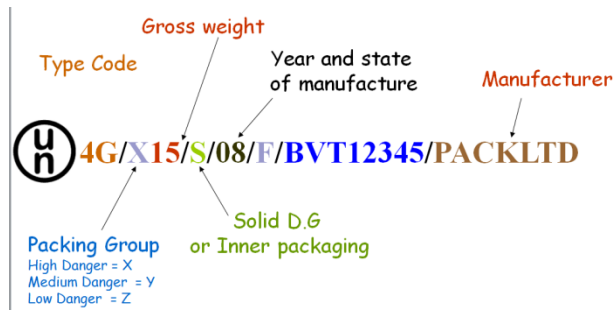
- a) UN Specification Packaging
- b) Packaging not in compliance with the above:
 - (2)-1 Ltd. Qty Packaging
 - (2)-2 Excepted Quantity Packaging

{ V } Packing Instructions

- (1) Guidance on packing is in coordination with the List of DG
- (2) The packing guidance in Chapter 5 of IATA DGR only include dangerous goods other than Class 7 Radioactive Materials
- (3) Briefing of the Packing Guidance:
 - (3)-1 Single Packaging / Composite Packaging
 - **Guide the type of packing used**
 - (3)-2 Combination Packaging
 - (a) Guide the type of Inner Packaging and the Maximum net quantity of Inner Packaging**
 - (b) Guide the Outer Packaging**
 - (3)-3 Packing requirements of that DG

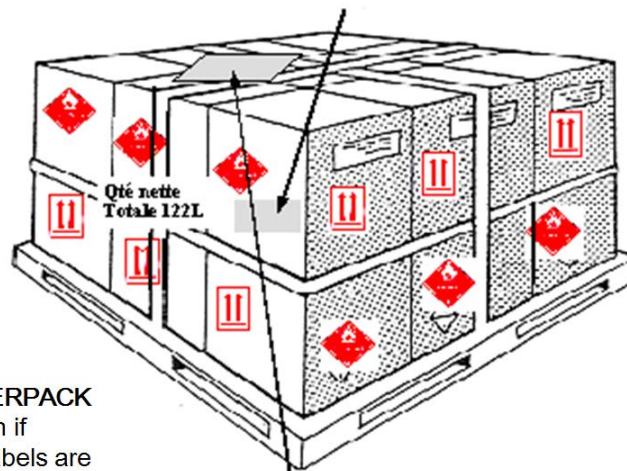
Characteristics of UN Specification Packaging

- Marking of UN Specification Packagings



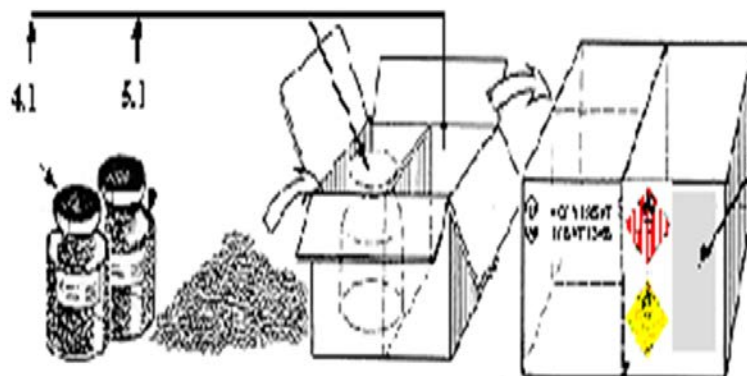
Overpack

One or few compatible packages in a Non UN package



The word **OVERPACK** must be written if marking and labels are not visible

few compatible PRODUCTS in a **4H** package



Q. Value must be calculated

- 21) Information and requirements of marking and labeling on the packaging of dangerous goods
 - (1) DG Markings
 - a) Packaging Use Marking

-- Information of the shipper and receiver

b) Specification Packaging Marking

- Such as UN No., PSN, Over pack used, Net Qty etc.

Besides the above two markings, other special markings can be referred to Chapter 7.1.4 and 7.1.5 of DGR

22) Sticking Labels



















(1) Labels of Dangerous Goods can be classified as:

-(1)-1 HAZARD LABELS

-(1)-2 HANDLING LABELS

(2) Similar to the marking on the packing of dangerous goods, the function of dangerous goods labels is to enable the operators to understand what the components are of the dangerous goods. Consequences can be detrimental if labels are filled wrong, fake, without filling or missing.

Hazard Labels










Class					
1 Explosives					
					
2 Gases					
3 Flammable Liquids					
4 Flammable Solids					
5 Oxidizing Substances					

6 Toxic and Infectious Substances					
7 Radioactive Material					
8 Corrosives					
9 Miscellaneous Dangerous Goods					



For the above labels, please refer to the following website:
<http://www.iata.org/publications/dgr/Pages/hazard-labels.aspx>

Handling Labels

Red Arrows	Black Arrows	DG Handling Label – Caution ! Lithium Batteries – Metal	DG Handling Label - Caution! Lithium Batteries – Ion
Cargo Aircraft Only (Forbidden in passenger aircraft)	Magnetized Material	Fragile	Cryogenic Liquid
Dry Ice ___ kgs	Keep away from heat	Over Pack	Handle with care

 Keep Dry (Umbrella)	 IBC...MAX	 IBC...Do not Stack	 Heavy
 Heavy 25kg	 Environmentally Hazardous	 Live Animals	 Laboratory animals
 Time and Temperature			

Limited/Excepted Quantities Labels

 Radopactive Material, Excepted Package	 Biological Substance Category B	 Dangerous Goods in Excepted Qty.	 Limited Quantity Marking
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23) Required Documentations of Dangerous Goods

- (1) Whenever goods are confirmed to be dangerous goods (please refer to DGR 8.0.1.2) for air shipment, the shipper must fill in a Shipper's Declaration for Dangerous Goods (DGD)(Appendix 64) and AWB (Appendix 22) to declare the goods to be shipped are dangerous goods.
- (2) The contents of DGD are to provide people in the entire Transport chain with a clear understanding about the information of the dangerous goods shipped. In case a mistake is made in any step in the process of shipment, clues for solving the problem could be traced by referring to the information filled in the DGD.
- (3) The following items on the DGD require attention:

- a) Contents are based on the words written in English
- b) AWB No., shipping location and receiving location on the DGD can be changed without a signature for confirmation
- c) Information of the shipper and receiver should be clear
- d) Clearly indicate a passenger flight or a cargo flight, and if there are radioactive materials
- e) List out UN/ID No, PSN, Class / Div, Packing Group / Type of Packing and Quantity/ Packing Instruction
- f) Indicate clearly if government authorization is needed
- g) Clearly indicate if there is any special process or arrangement and the 24 hours emergency contact information.
- h) Lastly, the person filling the form needs to fill in his position, date as well as location and sign the form to be effective.

In accordance with Regulation 7 of the Dangerous Goods (Consignment by Air) (Safety) Regulations Chapter 384 Subsidiary Legislation. Only person who has completed appropriate dangerous goods training within the past 24 months can sign the "Shipper's Declaration for Dangerous Goods". Any untrained person signing that declaration is liable to a maximum fine of \$25,000 and 6 month's imprisonment.

A properly trained freight forwarder or a qualified person acting on behalf of shipper can sign the "Shipper's Declaration for Dangerous Goods" if they have undertaken shipper's responsibilities as required by the Technical Instructions.

- (4) Information required to fill in the AWB (Appendix 22) includes:
 - a) Dangerous goods as per attached DGD/CAO
 - b) Not Restricted
 - c) DG in Excepted Quantities
 - d) Carbon Dioxide, solid; UN1845; solid (Dry Ice), Net Qty 200 kgs
- (5) Notes for solely/partly composed of Lithium Batteries or Batteries:
 - Every battery as well as battery pack must pass the UN38.8 test
 - Batteries and battery pack must be produced under quality control plan

- Waste batteries and battery packs, cells or batteries for recycle or disposal, and/or batteries and battery pack damaged or confirmed as defective by manufacturers are prohibited for shipment because of safety reasons.
- Cells and batteries should be protected from short circuit.
- Unless decided by individual operators, documentations related to loading should be applied by the shipper or the forwarder. Supporting documents can be UN38.3 test report, SDS, or others such as PDS and PIS for fulfilling individual demand for checking and accepting the shipping medium.

For detailed shipment arrangement, please refer to the following website:

<http://www.haffa.com.hk/portal/Download/Default.aspx?id=9>

- 24) Acceptance of goods, storage and loading
- (1) When dangerous goods are forwarded by a shipment company, staff in the company must check the goods and the required documents, and fill in the check-list. There are three types of check-lists: (1) Radioactive Material Check List; (2) Non-Radioactive Material Check List; (3) Dry Ice – When A Shipper’s Declaration for Dangerous Goods Is Not Required. Goods will be rejected if they fail to fulfil the requirements.
 - (2) There are mainly three types of warehouse used for storing dangerous goods:
 - (a) explosive goods warehouse;
 - (b) radioactive materials warehouse;
 - (c) warehouse of other dangerous goods.

Dangerous Goods that can be included in Consolidation

Provided that the requirements listed below are satisfied, dangerous goods can be conveyed by way of Consolidation:

- Dangerous goods conveyed in Consolidation must be separated from non-dangerous goods when handing to airlines for freight forwarding;
- Dangerous goods to be conveyed by Consolidation must undergo checking procedures for recipient of dangerous goods;

- For Dangerous goods included in different House AWB (Appendix 22), relevant Shipper's Declarations for Dangerous Goods (Appendix 64) need to be submitted separately;
- In case when one of the dangerous goods items is CAO (cargo aircraft only), although other items may be carried by passenger plane, the whole shipment must be forwarded by cargo plane.

Loading dangerous goods with Unit Load Devices, ULD

According to the Dangerous Goods Regulations issued by the International Air Transport Association (IATA), only the following four types of goods can be loaded by shippers to the ULD, they are:

- Radioactive Material ;
- Consumer's Commodities ;
- Dry Ice which is only used as a refrigerant for other than Dangerous Goods ;
- Magnetized materials.

For easier identification, all ULD loaded with dangerous goods must carry the DG ULD Tag, to draw the attention of operators and assist them to perform correct handling procedures.

Description of the DG ULD Tag:

- This type of tag must be displayed on the exterior of the ULD
- The area of this type of tag cannot be smaller than 149 x 120 cm and the four sides of the tag should have red diagonal strips. The contents of the tag should include:
 - Identification number of the ULD;
 - Designation;
 - Weight;
 - Flight number/ date
 - The code for the dangerous goods loaded

If cargo flight is required, "CAO" should be listed.

25) Handling Radioactive Materials

- (1) The procedure and preparation for shipping radioactive material are quite similar to other non-radioactive materials;

- (2) As the nature of radioactive materials is different from other dangerous goods, its classification and containers for loading are different and require special designs;
- (3) When shipping radioactive materials, the Activities (content) and Transport Index (TI) of radionuclides should be known;
- (4) According to the figures of TI, radioactive materials can be classified into three categories:
 - a) Category I – White I Label + Its Activities + Contents
 - b) Category II – Yellow II Label + Its Activities + Its TI + Contents
 - c) Category III – Yellow III Label + Its Activities + Its TI + Contents
- (5) Filling the declaration form for radioactive materials is quite similar to that for other dangerous goods. The only differences are the following:
 - a) Point out it is radioactive material
 - b) Its activity value can be classified as:
 - Type A Package
 - Type B(U) Package
 - Type B(M) Package
 - Type C Package
 - Industrial Package Type 1/2/3
 - c) the unit of the weight or activity value of radioactive materials is Tbq / GBq, but not kg or lb.
 - d) there is an excepted package requiring no filing of DGD but with a Radioactive Material-Excepted Package Label
- (6) There are special requirements when handling radioactive materials.

26) Storage and Shipment of Dangerous Goods

- Before storage and shipment of dangerous goods, the goods should be checked to ensure there is no damage and leakage
- Dangerous goods which may react with each other should be put in different places or be kept at a suitable distance with a barrier in between.
- Certain dangerous goods should be separately stored and loaded with special goods such as food, livestock cargo and perishable goods. They can also be in different places or be kept at a suitable distance with a barrier in between.
- Remember to put the dangerous goods according to instructions

of the marking on it

27) Procedures of handling emergency regarding dangerous goods

- A dangerous goods incident is any incident related to the transport of dangerous goods by air, not necessarily occurring on board an aircraft, which results in injury to a person, property damage, fire, breakage, spillage, leakage of fluid or radiation or other evidence that the integrity of the packaging has not been maintained. Any occurrence relating to the transport of dangerous goods which seriously jeopardizes an aircraft or its occupants is also deemed to be a dangerous goods incident.
- When dangerous goods incident happens, related parties must report to relevant local departments and undergo suitable emergency procedure.
- General emergency procedures include the following:
 - ⇒ Notify the duty supervisor immediately
 - ⇒ Identify the category of dangerous goods under safe circumstances
 - ⇒ Separate the problematic dangerous goods from other goods under safe circumstances
 - ⇒ Do not touch the leaked or spilled substances
 - ⇒ if the dangerous substances taint any body parts, wash the body part in running water and remove all or any clothing or accessories covering the area.
 - ⇒ No eating or smoking. Keep away from mouth, nose and eyes.
 - ⇒ Seek medical consultation immediately when not feeling well
 - ⇒ If possible, parties involved should remain at the site for further instructions
 - ⇒ Seek help from the Fire Services Department or Civil Aviation Department when necessary

3. UNEP

United Nations Environment Programme (UNEP) was established in 1972 to promote international cooperation on environmental issues, make policy

proposals, guide and coordinate environmental activities within the United Nations (UN) system and review the programme reports. UNEP also reviews the world environmental conditions to ensure issues that can cause widespread impact have been considered sufficiently by the governments. The organization also on a regular basis examines the national and international environment policies and their impact on developing countries and budgets, as well as to foster information and knowledge exchange among nations.

A. The Basel Convention 巴塞爾公約

The Basel Convention was drafted in 1989 and entered into force in 1992. It is aimed at limiting the international shipment of Hazardous Waste. The provisions of the Convention centre around the following principal aims:

1. the reduction of hazardous waste generation and population caused during transboundary movements;
2. the promotion of environmentally sound management of hazardous wastes, wherever the place of disposal and avoidance of transboundary movements;
3. a regulatory system applying to cases where transboundary movements are permissible to prevent illegal traffic; and
4. improvement of hazardous wastes handling technology and promotion of the international consensus on environmental friendly management of hazardous wastes

The restriction targets of the convention can be divided as three areas:

1. Hazardous waste which should be strictly regulated
2. Regulating Wastes collected from households and residues arising from the incineration of household wastes
3. The standard of identify hazardous natures

Under the regulation of the Basel Convention, all transboundary movements of hazardous wastes must only be carried out with the consent of both the importing and exporting countries. To further control the problem of hazardous wastes movements, the Amendment to the Basel Convention was passed in 1995 to prohibit developed countries exporting hazardous wastes to developing countries. The Basel Convention is an important international treaty to effectively control hazardous substances. Nevertheless, many

analysts still worry that the convention may be challenged by some world trade organizations and thus its effectiveness would be undermined.

The Basel Convention prohibits party-states to trade hazardous wastes with non-party states and stipulates that non-party states have the right to refuse hazardous wastes import. The Ban Amendment prohibits all transboundary trades of hazardous wastes which are destined for final disposal operations from OECD to non-OECD States. These provisions, from the TWO perspective amount to trade barriers, or unfair treatment to countries who have participated in transboundary hazardous wastes movement.

In light of the shortening life cycle of electronic products, around 50 million tonnes of e-wastes are disposed of every year. The conference convened in Nairobi, Kenya on 27 November 2006 aiming to discuss the strategy in handling and managing the increasing e-wastes. The conference ended by passing a number of resolutions and making the following declaration:

1. promote clean technology and green design for e-products, including the phase-out of hazardous substances used in production and included in components
 2. encourage the transfer of best available technologies for the environmentally sound management of e-waste from developed countries to developing countries; encourage national, regional and global comprehensive actions for the environmentally sound management of e-waste; support strategic partnerships initiated within the context of the Basel Convention
 3. improve waste management controls through the establishment of robust national policies, legislation and diligent enforcement
 4. prevent and combat illegal traffic of e-wastes
- B. ADR set by the United Nations Economic Commission for Europe (The European Agreement concerning the International Carriage of Dangerous Goods by Road)

The European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) was done at Geneva on 30 September 1957 under the auspices of the United Nations Economic Commission for Europe, and it entered into force on 29 January 1968. The Agreement itself was amended by the Protocol amending article 14 (3)

done at New York on 21 August 1975, which entered into force on 19 April 1985. ECE/TRANS/225, VOL. I and II were amended on 1 January 2013.

For details, please visit:

<http://www.unece.org/index.php?id=36678&L=0>

- C. The RID of the Central Office for International Carriage by Rail (OCTI) (The European Agreement Concerning the International Carriage of Dangerous Goods by Rail)

“RID” stands for Regulations Concerning the International Carriage of Dangerous Goods by Rail. It is set out by the Central Office for International Carriage by Rail (OCTI) in Annex B of the Convention concerning International Carriage by Rail in relation to the Comité Maritime International (CMI) Rules Annex 1. It is a set of uniform rules for the international carriage of dangerous goods which specifies the categorization of dangerous goods, nature, packaging, requirements, checking and other matters in details.

For more details, please visit <http://www.unece.org/index.php?id=25748>

- D. Storage in Hong Kong and conveyance by road

Section 6(1) of the Dangerous Goods Ordinance, Cap. 295, Laws of Hong Kong provides that except under and in accordance with a license granted under this Ordinance, no person shall manufacture, store, convey or use any dangerous goods.

The monitoring bodies are:-

- (1) Civil Engineering and Development Department: regulates the storage, use, manufacture or conveyance of Category 1 Dangerous Goods
- (2) Fire Services Department: regulates the storage, use, manufacture or conveyance on road of Categories 2 to 10 and Category 9A Dangerous Goods

The Dangerous Goods (Amendment) Ordinance was passed by the LegCo in 2002. The amendments include:

- Subsidiary legislation — Repeal and rewrite

- Classification — Adopt “International Maritime Dangerous Goods” (“IMDG”) classification
- Testing Criteria — Adopt “IMDG” testing methods
- Dangerous Goods — Expanded to cover over 1800 types
- Exempted quantity – Review and revise
- Import and Export dangerous goods—Compliance with IMDG Code’ s packing, marking and labeling requirement deemed to comply with this Ordinance
- Land Conveyance — Renew safety protection
- Code of Practice — Authorize the relevant departments to set and issue Code of Practice
- Packing and Labeling — Review and revise
- Penalty — Review and revise

Implementation of International Code includes:

- UN Model Regulations
- IMDG Code
- ADR

I. Storage

For storage of Category 2 and Category 5 Dangerous Goods, please refer to the following website:

<http://www.hkfsd.gov.hk/chi/source/licensing/DG/>

(1) Legislation

The legislative control of the storage, manufacture, conveyance or use of any dangerous goods under the Dangerous Goods Ordinance, Cap. 295, Laws of Hong Kong and its subsidiary legislation is by means of a licensing system.

- 1) “Store”, when used as a verb, includes to have possession or custody of or control over dangerous goods.
- 2) “Manufacture” includes process, compress, liquefy or otherwise that alter the nature or form of any substance.
- 3) “Conveyance” means the situation when DG are loaded in a vehicle irrespective of whether the vehicle is moving or being parked stationary until the DG are unloaded from the vehicle. A trailer with DG on board and is detached from a prime mover cannot be regarded as under conveyance.

(2) Notification of Type 9A Dangerous Goods storage

Where the quantity of the stated combustible goods stored in any premises or place exceeds the quantity as tabulated below, the person in control of such premises or place shall, within 48 hours, send a notice in writing to the Authority: -

Combustible goods	Premises forming part of a building in which other premises are used for residential purposes or otherwise than for the purposes of an industrial undertakings	Buildings used exclusively for purposes of industrial undertakings
Cotton (raw)	50 kg	2 t
Kapok	50 kg	2 t
Cotton waste	100 kg	2 t
Matches	30 kg	500 kg
Polytetrafluoroethylene	250 kg	2 t
Polythene (raw material)	250 kg	2 t
Polystyrene (raw material)	250 kg	2 t
Polyvinyl Chloride (raw material)	250 kg	2 t
Polymethylmethacrylate (raw material)	250 kg	2 t
Polypropylene (raw material)	250 kg	2 t
Crude rubber	100 kg	2 t
Rubber tyres	50 tyres	500 tyres

(3) Notification to the Authority

The person in control of combustible goods exceeds the prescribed notifiable quantity as tabulated above shall fill in the Form DG/TS/317A (Appendix IV) with the following details and forward it to the Dangerous Goods Division within 48 hours:

- 1) the address of the premises or place (including the number of the floor, where the premises or place form part only of a building and other premises in the building are used for residential purposes or in any other way otherwise than for the purposes of an industrial undertaking);
- 2) the type of combustible goods, and the quantity of combustible goods or such articles stored in the premises or place; and
- 3) the purpose for which the combustible goods or such articles are stored in the premises or place.

- (4) General Fire Safety Directions
Following receipt of the notification for storage of category 9A DG, Case Officer of Dangerous Goods Division will formulate and issue a specific set of fire safety directions to the applicant for compliance.
- (5) Report of Compliance
 - 1) Upon the full compliance of the fire safety directions, applicant should inform the Case Officer in writing to arrange a compliance inspection.
 - 2) During the compliance inspection, applicant shall provide a set of documentation for the fire service installations and equipment installed.
- (6) Re-inspection
If non-compliance with fire safety directions is noted during the compliance inspection, a notification indicating the outstanding items will be forwarded to the applicant. The applicant should invite the Case Officer for re-inspection upon full compliance with the fire safety directions which shall include the outstanding items.
- (7) Issue of Letter of Compliance
Upon all the fire safety directions are fully complied with, a letter of compliance would be issued to the person in control of the combustible goods.

II. Conveyance by Road

Application of License for any Mechanical Propelled Vehicles for the conveyance by Road of any Dangerous Goods (Category 2 [other than LP Gas] and/or Category 5)

- (1) A license will be granted by the licensing department with terms and conditions specifying the requirements for the conveyance of Category 2 [other than LP Gas] and/or Category 5 Dangerous Goods.
- (2) The Licensing Authority may revoke such license on proof to his satisfaction of an offence against the Dangerous Goods Ordinance or a breach of any condition of such license by the holder thereof.

- (3) The breach of any term or condition endorsed upon such license shall constitute an offence which shall be punishable on summary conviction by a fine not exceeding \$10,000 and imprisonment not exceeding 1 month.
- (4) According to the vehicle design and the Category of Dangerous Goods to be conveyed, Dangerous Goods Vehicle are classified into 7 types, namely: -
- Type B Tank wagon used for conveyance of Category 5 Dangerous Goods
 - Type C Vehicle used for conveyance of Category 2 Dangerous Goods (excluding LPG, Chlorine and electronic gases) in cylinders
 - Type D Vehicle used for conveyance of Category 5 Dangerous Goods in containers
 - Type F Vehicle used for conveyance of Category 2 Dangerous Goods (Cryogenic gases)
 - Type G Freight container vehicle prime mover and/or trailer used for conveyance of Category 2 (excluding LPG, Chlorine and electronic gases) or Category 5 Dangerous Goods
 - Type H Vehicle used for conveyance of Category 2 DG (Chlorine) in drums/cylinders
 - Type PV Panel Van used for conveyance of Category 5 (Inflammable Liquids) Dangerous Goods

Please refer to the FSD homepage for the fire safety requirements of Dangerous Goods Vehicle:

<http://www.hkfsd.gov.hk/chi/source/licensing/DG/>

- (5) Submission of Application
- 1) Application for a license shall be made by completing application form DG/TS/337A (Appendix 65) and submitted together with a photocopy of Hong Kong Identity Card or Business Registration Certificate and Vehicle Registration Document (TD26) by the applicant to the Dangerous Goods Division.
 - 2) For the application of license for conveyance of Special Gases (electronic gases), please contact the Dangerous Goods Division at 2417 5717 for detailed information.
- (6) General Fire Safety Requirements
- Following receipt of an application for Dangerous Goods Vehicle license with the supporting documents, a specific set of Fire Safety requirements relevant to the type of vehicle would be issued for

compliance by the applicant.

(7) Report of Compliance

1) When the vehicle is ready for compliance inspection, the applicant may make a booking by telephone to 2417 5767 during office hour or by filling in the online vehicle inspection booking form.

URL: http://www.hkfsd.gov.hk/home/chi/source/licen/vehiclebooking_form.html

2) Upon receipt of e-booking or verbal report of completion of Fire Safety requirements, a compliance inspection to the vehicle would be carried out at Sai Kung Fire Station, 1 Hong Kin Road, Sai Kung, New Territories.

3) During the compliance inspection, applicants shall produce the original copies of supporting documents including the Vehicle Registration Document (TD26), Certificate of Particulars of Vehicle (TD61C), Certificate of Roadworthiness (TD89) or Vehicle Examination Report (VE24) to the Case Officer for verification.

(8) Issue of Dangerous Goods Vehicle license and license fee

When the Fire Safety requirements are fully complied with, the applicant would be notified in writing that a Dangerous Goods Vehicle license would be available for collection at the designated Shroff office upon full payment of the license fee. License fees are specified in Regulation 183 of the Dangerous Goods (General) Regulations and information on updated license fee is available at URL:

[http://www.hkfsd.gov.hk/home/chi/source/licensing/licence_fees tc.pdf](http://www.hkfsd.gov.hk/home/chi/source/licensing/licence_fees_tc.pdf)

Logistics SCS-based Training Package**Hong Kong's import and export trade and government regulation – Assessment**

Topic: Hong Kong's import and export trade and government regulation

(1) UoC Code: LOCUIE206A

Title of UoC: Handle import/export or re-export documents

(2) UoC Code: LOCUIE203A

Title of UoC: Handle the documents for dangerous goods, prohibited articles and dutiable commodities

Assuming training providers will incorporate the above two UoCs into a systematic programme as the aforesaid, the assessment method for each programme will be as follows:

- (1) To review the progress of learning, each programme consists of:
 1. One Classwork (10%)
 2. One Homework (15%)
 3. One In-class demonstration (25%)
- (2) After completing the learning programme (including 2 UoCs), there is an integrated final exam.

The syllabus of the integrated final exam will echo the content of Part A of the systematic Training Package which comprises the 2 UoCs drawn from the logistics SCS. The exam is an overall test of student's learning outcome. In view of the operational and practical content of the two UoCs and their level (level 2) in the qualifications framework, the content to be examined is suggested as follows:

- (1) Mode of examination: Written exam (50%)
- (2) Content of the written exam, ratio of score and number of questions
 1. Multiple-Choice: 10 questions (10%)
 2. Fill in the table: 1 question (20%)
 3. Long Question: 1 question (20%)

Training providers should prepare a question bank with sufficient number of questions in advance to avoid excessive repetition of questions in daily written exams.

If the training provider intends to develop a specific UoC into an independent course, the mode and content of the final exam can be referenced from the continuous assessment methods and assessment criteria of the UoC.

To review the progress of learning, each programme consists of:

- (1) One classwork (10%) (Appendix 74 & 75)
- (2) One homework (15%) (Appendix 76 & 77)
- (3) One Group Presentation (25%) (Appendix 78 & 79)

Integrated final exam (50%)

Total score of each paper is 100, the score of students is calculated based on the designated ratio.

Definition of completion of the course:

- 1) 80% attendance
- 2) Scored 50% or above in the exam and continuous assessment respectively

Logistics SCS-based Training Package

Hong Kong Customs Declaration and Clearance Procedures – Sample Notes

II. Topic: Hong Kong Customs Declaration and Clearance Procedures

Learning Content

Chapter 1: Handle Customs Clearance Procedures

Hong Kong Customs and Excise Department (“C&ED”) is responsible for protecting the HKSAR from smuggling. The measures include inspecting goods exported and imported from air, land or sea and search flights, ships and vehicles reaching and departing Hong Kong to prevent illegal importation and exportation prohibited items.

1) Clearance documents

The following documents must be prepared to facilitate clearance:

- Cargo manifest;
- Import/Export certificate or Removal permit (if necessary);
- Copy of notice of detainment (if applicable); and/or
- other certification documents, such as bill of lading, air shipment, invoice and packing list.

2) Cargo Inspection

C&ED attaches great importance to the protection and facilitation of legitimate trade and industry in addition to upholding the trading integrity of the Hong Kong Special Administrative Region (HKSAR). Risk management is employed on selection of cargo for examination to ensure Customs intervention at control points is kept to the minimal. To expedite cargo clearance, there are several electronic cargo clearance systems to facilitate submission of advance cargo information by shippers.

A. Air

There is an Air Cargo Clearance System (ACCS) which enhances the Customs clearance of air cargoes. The ACCS enables the C&ED to provide fast Customs clearance service to the legitimate trade without compromising security of the HKSAR.

B. Land

For cargo imported or exported by trucks through land boundary control points (LBCPs), the Road Cargo System (ROCARS) enables registered shippers or their authorized agents to submit advance cargo information to the C&ED by electronic means. Meanwhile, cross-boundary truck drivers also enjoy seamless Customs clearance service and they will be signaled by ROCARS whether their vehicles shall be examined upon arrival at the fully automated Customs clearance facilities at the LBCPs.

Road Cargo System (道路貨物資料系統)

The Road Cargo System (ROCARS) commenced its mandatory implementation on 17 November 2011. It enables registered shippers or their authorized agents to submit advanced cargo information of road cargo by electronic means. Under the system, truck drivers can enjoy seamless and speedy Customs clearance when they convey road cargoes across land boundary control points.

C. Sea

For containerized consignments shipped by ocean-going vessels, the Customs and Excise Department (“C&ED”) may issue a notice of detainment to shipping agents, container terminal operators, godown owners and consignees, in request of submitting the cargo manifest for examination. Apart from the traditional hard copy handling method, C&ED encourages carriers to submit electronic cargo manifests through the Electronic System for Cargo Manifests before the arrival of consignments. For containerized cargoes conveyed by river trade vessels, the C&ED may issue detention notices to the consignees of the cargoes, shipping agents, container terminal operators and godown operators requiring their cargoes to be removed to premises nominated by the consignees, owners or shipping agents for cargo examination.

For non-containerized sea consignments, C & ED may send officers to conduct strike and search operations onboard the vessels or at the loading spots, for example, Public Cargo Working Areas or buoys. The captains or agents of the vessels must provide manifests of the consignments being imported or exported upon the request of the Department officers.

3) E-Sea Customs Clearance Scheme (海運簡易通關計劃)

The e-Sea Customs Clearance Scheme (hereinafter, the e-SCC Scheme) is one of C&ED's latest trade facilitation initiatives catered for the Forwarding Agents and Logistics Companies to submit House-Level electronic cargo information for the purposes of sea cargo clearance.

The e-SCC Scheme is a scheme currently launching by C&ED. It aims to simplify the existing Customs clearance procedures and provide an e-channel for sea freight forwarders to submit advance house bill of lading (inbound/transshipment ocean mode consignments) information through an Excel/CSV file to Customs. These changes will bring mutual benefit to both freight forwarders and Customs.

A. Objectives:

- To provide an electronic mean for house level information submission;
- To simplify the existing house level cargo information procedures by trimming down the issuance of Detention Notice (DN) Form 1 with a view to achieving resources saving and efficiency enhancement for both C&ED and forwarders; and
- To avail handy information for C&ED to conduct risk profiling with a view to enhancing the efficiency and quality of cargo selection.

B. Features:

- Registration is on an agreement and voluntary basis;
- No registration and other charges;
- No IT investment;
- No increase in examination rate;
- Withdrawal can be done with one month written notice;
- Easy and flexible submission mode and schedule; and
- No ordinance amendment to maintain flexibility

C. Changes and Advancements

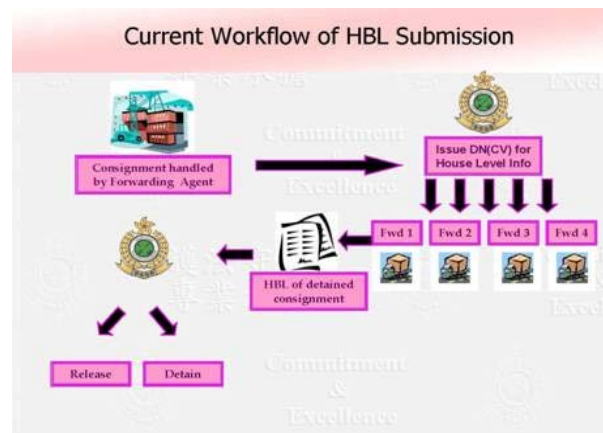
1. Forwarder:

Automatically submit all house bills of lading of import/transshipment consignments (ocean mode) to Customs through internet email; and

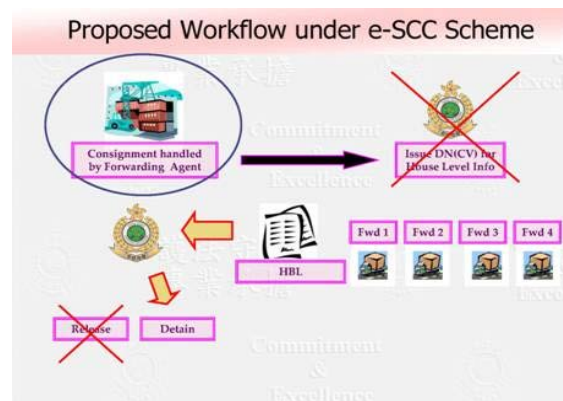
2. C&ED:

No DN Form 1 for CV will be issued except under exceptional situations, for example, house bill of lading (HBL) not submitted before estimated time of arrival (ETA) of vessel and under normal circumstance, only DN Form 2 will be issued before the

ETA of vessel for detaining a consignment for examination. Detailed changes are illustrated below with the current (Chart 1) and proposed (Chart 2) workflows respectively.



圖表 1. 提交副提單的現行工作流程



建議(圖表 2)的工作流程以顯示轉變的詳情.

D. Benefits and costs

Under e-SCC Scheme, C&ED aim to provide convenience and facilitation for the Forwarding Agents and Logistics Companies joining the Scheme with a view to optimize their operation efficiency with C&ED. In order to see a fuller picture, the benefits and costs of joining the Scheme are shown in the table below (Table. 1).

Costs	Benefits
<ul style="list-style-type: none"> ● Manual input/export from internal IT system house level information into an excel file ● Submit the excel file to Customs through internet email 	<ul style="list-style-type: none"> ● No DN From 1 for CV, except under exceptional situations ● Timely Customs decision (release/detain) ● Hot/Tackle Box request ● No unnecessary communication with Customs ● No paper HBL matching / sorting / printing /dispatching ● Subject to a study by C&SD, may reduce submission of paper HBL information to C&SD

E. Submission Methods and Schedules

1. Submission Methods:

Send an email with specific subject and two attached files, i.e. Header file and HBL file, via email to Customs:

(1) Header file: Port of receipt/loading, hot/tackle box request, place for devanning, contact person information.

(2) HBL file : HBL information:

- Customs Email Account: [e house info@customs.gov.hk](mailto:house_info@customs.gov.hk)
- One email for each vessel;
- Other house level cargo information e.g. packing list, item summary and authorization letter are required only upon Customs' request (can send a scanned copy through email and under the same email subject).

2. Submission Schedules (3 Categories of Countries) :

Countries	Vessel transit time	Submission schedule	Customs action (if necessary)
Category A	10 days or more	2 days before ETA	Only D/N Form 2 before ETA
Category B	4-10 days	1 day before ETA	Only D/N Form 2 before ETA
Category C	3 days or less	1 day after ATA	D/N Form 1 before ETA D/N Form 2 or Release Voucher 1 day after submission

Submission Schedule (1)			
Category	Countries	Schedule	DN Form 2 Issuance
A	<ul style="list-style-type: none"> ◆ All American countries ◆ All European countries ◆ Australia, New Zealand ◆ All African countries ◆ All island countries in Atlantic and Indian Oceans ◆ All countries in middle-East (Iran, Iraq, Israel, Oman, Yemen, Kuwait, Saudi Arabia, Jordan, Syria, Lebanon, United Arabic Emirates, Qatar) ◆ Pakistan ◆ All Indian ports except Chennai, Tuticorin and Visakhapatnam 	2 days before ETA	Before vessel arrival

Submission Schedule (2)			
Category	Countries	Schedule	DN Form 2 Issuance
B	<ul style="list-style-type: none"> ◆Bangladesh ◆Sri Lanka ◆Indonesia ◆Indian ports(Chennai, Tuticorin & Visakhapatnam) ◆Singapore ◆Malaysia ◆Brunei ◆Thailand ◆Kampucha ◆Japan ◆Korea ◆All Chinese Ports except those in 上海, 深圳, 廣東省, 廣西省, 福建省, 海南省 ◆All island countries in Pacific Ocean 	1 day before ETA	Before vessel arrival

Submission Schedule (3)				
Category	Countries	Schedule	DN Form 1(CV) Issuance	DN Form 2 /Release Voucher Issuance
C	<ul style="list-style-type: none"> ◆Southern Chinese Ports in 上海, 深圳, 廣東省, 廣西省, 福建省, 海南省 ◆Taiwan ◆Philippines ◆Vietnam 	1 day after ATA	Before vessel arrival	1 day after submission

4) Air Cargo Clearance System

There is an Air Cargo Clearance System (ACCS) which hooks up with the air cargo industry in the Hong Kong International Airport.

A. ACCS has the following features:

- specially designed to expedite the clearance of air cargo;
- direct system interface between C&ED and cargo operators for the exchange of cargo data and C&ED clearance instructions;
- service availability of 24 hours a day and 7 days a week; and
- covers clearance of all types of air cargoes.

B. The implementation of the ACCS has been engineered to achieve the following benefits:

- a level playing field;
- trade facilitation;
- readiness of Customs action codes; and
- speedy clearance of non-constrained cargoes.

5) Electronic System for Cargo Manifests (EMAN)

a. Legal requirements relating to electronic submission of cargo manifests are stated in:

- Import and Export Ordinance (IEO) (Cap 60)

- Dutiable Commodities Ordinance (Cap 109)
- Reserved Commodities Ordinance (Cap 296)

b. EMAN Service Providers

- Brio Electronic Commerce Limited (Brio) (標奧)
- Global e-Trading Services Limited (Ge-TS) (商貿易)
- Tradelink Electronic Commerce Limited (Tradelink) (貿易通)

Upon registration as a subscriber to the EMAN service, the service providers will provide the necessary assistance to carriers in using the EMAN service which includes training on how to use the end-user software and on-going customer support hotline.

c. Coverage of EMAN Service

The EMAN service covers electronic transmission of the following messages:

- Cargo Manifest (and acknowledgement thereof)
- Cargo Manifest Amendment (and acknowledgement thereof)
- Carrier Information
- Manifest Demand
- Outstanding Manifest Advice
- Government Query
- Query Response
- Detention Notice (and acknowledgement thereof)
- Release Voucher (and acknowledgement thereof)

d. Advantages of Electronic Manifest Submission

Through the end-user software provided by the service providers, carriers can prepare and submit manifests electronically to C&ED, C&SD, and TID. The end-user software validates a manifest prepared by a carrier, adds a digital signature to the manifest, and sends it electronically to the Government in a timely and secure fashion. Carriers may also develop their own system to submit manifests directly to their service providers. It is the responsibility of the carriers to ensure timely submission of manifest to the Government. Advantages of electronic manifest submission and major differences between the electronic and paper submission are highlighted as follows:

Electronic Manifest

Statement 1	Cargo Manifests (manifests required	Submit to C&ED via the electronic connection with service providers' system. More secure and expedient transmission, plus savings in
-------------	-------------------------------------	--

to be submitted under Section 15 of Cap 60)	travelling and storage space.
Statement 2 Cargo Manifests (manifests required to be submitted under the other provisions of Cap 60 and Cap 296)	Submit to C&SD and TID in one go via the electronic connection with service providers' system within 14 days after shipment arrival / departure. More secure and expedient transmission, plus savings in travelling and storage space. Besides, the timeline for manifest submission to C&SD and TID has also been aligned to 14 days, allowing more time for carriers to make submission.
Cargo Manifest Amendments	The relevant bill of lading is extracted and amended on the screen, which is much more convenient and easier. When finished, the amendments can be sent to the Government electronically, saving the costs for physical dispatch.
Manifest Demands	Receive via the electronic connection with service providers' system. The message is well-structured and clearly displayed.
Outstanding Manifest Advices	Receive via the electronic connection with service providers' system. The message is well-structured and clearly displayed.
Government Queries	Receive via the electronic connection with service providers' system. The message is well-structured and clearly displayed.
Query Responses	Submit to the Government via the electronic connection with service providers' system. The process is speedier and more cost-effective.
Detention Notices	Receive via the electronic connection with service providers' system. The message is well-structured and clearly displayed.
Release Vouchers	Receive via the electronic connection with service providers' system. The message is well-structured and clearly displayed.
Paper Licences / Notifications	Paper licences / notifications / supporting documents are submitted to TID under a

Supporting Documents covering letter quoting the unique reference of the electronic manifest for the shipment. For cargoes covered by licences/ notifications/ supporting documents, irrespective of whether the documents are in paper form or electronic form, the reference number(s) of the licence / notification / supporting document should be provided in the manifest under the corresponding goods item.

Import and Export Statements (under Section 22 of Cap 109) If the particulars in relation to the goods as required to be contained in the import and export statements, such as Dutiable Commodities Type, Dutiable Commodities Permit No. and Stores, where applicable, are contained in the Statement 2 Cargo Manifests submitted to C&ED via the electronic connection with service providers' system in the prescribed itemized manner, carriers can opt to make use of the manifests as the import and export statement. Costs for separate preparation and travelling can be avoided.

Operating Hours Submission can be made 24 hours a day, 7 days a week.

- e. The computer systems of the service providers operate 24 hours a day, 7 days a week except during quarterly system maintenance period.

All EMAN messages received by the service providers will be checked to ensure that the information contained in the messages meets Government's basic requirements. The service providers will then route the validated messages to the Government. For every manifest which has successfully passed the predefined validation rules, an acknowledgement message would be returned to the carrier. For messages which cannot pass the validations, an error message will be sent to carriers. Carriers are required to make necessary changes and submit the messages again.

The three service providers have pledged to complete processing 95% of Statement 1 manifest within 15 minutes and 95% of Statement 2 manifest within an hour.

f. Submission of Cargo Manifest through EMAN Service.

6) Sea Cargo Examination Appointment Website

Sea Cargo Appointment Website provides an electronic platform for consignees or their representatives to make appointment for Customs attendance at cargo examination on detained sea cargoes.

The screenshot shows the website header with the Hong Kong Customs logo and the text '香港特別行政區政府 香港海關'. The main heading is '預約海關人員查驗被扣押的海運貨物'. Below this is a section titled '輸入扣留通知書資料' (Enter Detention Notice Information). It contains two input fields: '扣留通知書編號' (Detention Notice Number) and '貨櫃編號' (Container Number), both marked as '(必須輸入)' (Required). A note below the second field states: '請輸入扣留通知書上列出的任何一個需預約查驗或更改的貨櫃編號' (Please enter any one of the container numbers listed on the detention notice for booking or modification). There are three buttons: '申請預約' (Apply for Appointment), '更改/取消預約' (Modify/Cancel Appointment), and '重新輸入' (Re-enter). A contact note reads: '如有查詢, 請電3152 0144/155 (葵青貨櫃碼頭) 或 2180 4643/644 (內河貨運碼頭), 與我們的貨物預約小組聯絡。' (For enquiries, please call 3152 0144/155 (Kwai Tsing Container Wharf) or 2180 4643/644 (Inland Waterways Wharf), contact our cargo booking team). At the bottom, it specifies browser requirements: '用 1024 x 768 解像度及Internet Explorer 6.0 / Netscape 8.0.2 (Internet Explorer Rendering Engine) 或以上版本瀏覽器可得更佳效果' (Use 1024 x 768 resolution and Internet Explorer 6.0 / Netscape 8.0.2 (Internet Explorer Rendering Engine) or higher browser version for better results). The footer contains the copyright notice: '版權所有 (C) 香港海關 2006 未經授權請勿任意轉載' (All rights reserved (C) Hong Kong Customs 2006. No unauthorized reproduction or distribution is permitted).

Chapter 2: Arrange for customs declaration

(A) Declaration in the HKSAR

Any persons who import or export any articles, other than exempted articles, are required to lodge accurate and complete import / export declarations within 14 days after the importation / exportation of the article..

1) Lodgement of Declaration Forms

Types of Declaration Forms include:

Form 1: (Appendix 66)	Import Declaration for non-food items
Form 1A : (Appendix 67)	Import Declaration for food items classified in Appendix I of the current Hong Kong Imports and Exports Classification List (Harmonized System)
Form 2: (Appendix 68)	Export / Re-export Declaration for export / re-export items except HK manufactured clothing and footwear items
Form 2A : (Appendix 69)	Export Declaration for HK manufactured clothing and footwear items specified in Schedule 1 to the Industry Training (Clothing Industry) Ordinance, Chapter 318, Laws of Hong Kong
Form 1B : (Appendix 70)	Import Declaration for articles exempted from declaration charge
Form 2B : (Appendix 71)	Export / Re-export Declaration for articles exempted from declaration charge

2) Use of Import/Export Declarations

While the information contained in import/export declarations lodged by importers and exporters is used by C&ED for related law enforcement purpose when necessary, the information provided in import/export declarations is also used for compiling trade statistics by the Census and Statistics Department. Besides providing detailed information on commodity trade, trade statistics are widely used in Hong Kong and abroad as an indicator of our trade position, and some major decisions on economic policy are taken on the basis of them. Your co-operation is sought in the prompt lodgement of accurate and complete declarations so that the external trade statistics of Hong Kong can be compiled and released on time.

3) Completion of Import/Export Declarations and Data Requirement

Declarations lodged with the Commissioner of Customs and Excise must be accurate and complete in every respect. The data items required to be declared in a declaration should be in accordance with those set out in the current version of "Implementation Instructions of Government Electronic Trading Services System", or GETS II for short, gazetted by the Commissioner. Please visit the website:

http://www.cedb.gov.hk/citb/tc/Policy_Responsibilities/gets_rm.html

Commodities shipped on the same ship, vehicle, train or aircraft to or from the same country/territory having commodity code numbers with identical first 4 digits or under one bill of lading, air waybill or road cargo manifest can be completed in the same declaration.

4) Electronic Import/Export Declarations

Declarations are to be lodged electronically through the following service providers:

1. Brio Electronic Commerce Limited
<http://www.brio.com.hk/>
2. Global e-Trading Services Limited
<http://cloud.ge-ts.com.hk/zh/>
3. Tradelink Electronic Commerce Limited
<http://www.tradelink-ebiz.com/tc/331n08or3m9a51l/index.html>

5) Import and Export Declaration Charges

With effect from 1 August 2012, for articles that are imported or exported on or after the date, the declaration charge per import or export declaration will be reduced to the following rates:

Import:

- | | |
|-----------------|--|
| Non-food items: | <ul style="list-style-type: none"> ■ HK\$0.2 in respect of the first HK\$46,000 of the value of the goods ■ HK\$0.125 in respect of each additional HK\$1,000 or part thereof and rounded up to the nearest 10 cents |
| Food items: | HK\$0.2 per declaration irrespective of the value |

Export:

- | | |
|---------------------------------------|--|
| Goods whether of HKSAR origin or not: | <ul style="list-style-type: none"> ■ HK\$0.2 in respect of the first HK\$46,000 of the value of the goods ■ HK\$0.125 in respect of each additional HK\$1,000 or part thereof and rounded up to the nearest 10 cents |
|---------------------------------------|--|

6) Late Lodgement Penalty

A penalty charge is required in respect of each declaration not lodged within 14 days after the importation or exportation of the goods:

1. If the total value of articles stated in a declaration does not exceed HK\$20,000:
 - the penalty payable is HK\$20 for lodgement within 1 month and 14 days after the importation or exportation;
 - HK\$40 for lodgement within 2 months and 14 days after the importation or exportation;
 - HK\$100 for lodgement after 2 months and 14 days after the importation or exportation.
2. If the total value of articles stated in a declaration exceeds HK\$20,000, the above penalty charges will be doubled to HK\$40, HK\$80 and HK\$200 respectively.

(B) ATA Carnet (暫准進口證)

The HKSAR Government accedes to the "Istanbul Convention" to accept ATA Carnets issued under the Convention for temporary admission of the following goods (except those sent by postal traffic) into the HKSAR:

- goods for display or use at exhibition, fairs, meetings or similar events;
 - professional equipment;
 - travellers' personal effects and goods for sports purposes; and
 - tourists publicity material
- 1) Authorized Issuing Association: Hong Kong General Chamber of Commerce (香港總商會)
 - 2) Endorsement Procedure:

When goods under the cover of an ATA Carnet are presented for Customs clearance at the control points, Customs officers will check the relevant goods details and endorse the related vouchers of the Carnet. Importers and exporters are also not required to lodge import or export declarations to the Commissioner of Customs and Excise in respect of these goods.

Goods covered by an ATA Carnet are not exempted from licence and permit control unless such are provided in relevant legislation. Importers or Exporters are still required to obtain relevant documents such as import or export licences or quota visas from the relevant authorities prior to importation or exportation where appropriate.
 - 3) Countries and regions that accept ATA Carnet:

Albania	Andorra	Australia	Austria
Belarus	Belgium	Bosnia	Herzegovina
Bulgaria	Canada	Chile	China

Cote d'Ivoire	Croatia	Cyprus	Czech Republic
Denmark	Estonia	Finland	France
Germany	Gibraltar	Greece	Hong Kong, China
Hungary	Iceland	India	Iran
Ireland	Israel	Italy	Japan
Korea (Rep. of)	Latvia	Lebanon	Lithuania
Luxembourg	Macao, China	Macedonia	Malaysia
Malta	Madagascar	Mauritius	Mexico
Moldova	Mongolia	Montenegro	Morocco
Netherlands	New Zealand	Norway	Pakistan
Poland	Portugal	Romania	Russia
Senegal	Serbia	Singapore	Slovak Republic
Slovenia	Republic of South Africa	Spain	Sri Lanka
Sweden	Switzerland	Thailand	Tunisia
Turkey	Ukraine	United Arab Emirates	United Kingdom

United States

- 4) Items eligible for Carnets:
- Commercial samples
 - Advertising film (16mm))
 - Goods for international exhibitions
 - Meeting materials for charitable purpose
 - Materials for the promotion of education, art, crafts, sports, religion, etc.
 - Equipment used by journalists
 - Sound and television broadcasting equipment
 - Musical instruments
 - Costumes
 - Scenery and other stage properties
 - Cinematographic equipment
 - Professional equipment for testing, maintaining or repairing machinery
 - Equipment for use by surgeons, archaeologists, zoologists, etc.
 - Equipment for use by entertainers
- ** Please note that some countries may exclude some of the items above in the usage of Carnets.
- 5) Items not eligible for Carnets are:

- Consumable or other disposable goods such as leaflets, brochures, etc.
- Cleaning materials, small quantities of paints, oils, etc.
- Unmounted gemstones/diamonds
- Any items deemed by the Chamber as unfit for Carnet issuing

6) Application procedures:

1. Complete the Application Form and the General List of Goods (Appendix 72)
2. Sign the Declaration Form and the Authorization Letter
3. Provide other relevant information as may be required
4. Provide the adequate Security (Appendix 73)
5. Pay the Carnet Application Fee

7) Security:

The Holder must provide the Chamber with security. The amount of security is to be solely determined by the Chamber based on the value of the goods covered by the Carnet, the nature of the goods, the countries being visited and other factors. The typical security amount is 100% of the value of the goods. The minimum security amount is HK\$1,000. This security must be in the form of a bank guarantee, an insurance company guarantee, a banker's draft or cash deposit. In case of cash deposit, the maximum amount accepted is HK\$10,000. The security is used to guarantee to the customs of the countries into which the goods are temporarily imported that all duties, taxes, etc. will be paid to them if the conditions under which they allow these into the countries are breached.

8) Processing Time:

Standard processing time of a Carnet application is 2 clear working days. If an applicant requires priority processing in case of emergency, it could be provided at additional charges. Carnet required to be issued in 5 working hours or 24 hours after the application is found in order will have to pay a surcharge of HK\$700 or HK\$400 respectively.

9) The fees charged by The Hong Kong General Chamber of Commerce for issuing a Carnet are as follows :

	Member	Non-member
Application Fee	HK\$1,500	HK\$2,600
Each additional country	HK\$300	HK\$300
Priority Issuing Service		
■ in 5 working hours	HK\$700	HK\$700
■ in 24 hours	HK\$400	HK\$400

First amendment made within the first week	HK\$50	HK\$50
Amendments made after the first week or after the first amendment	HK\$100/Time	HK\$100/Time
Administrative fees re customs claim or regularization of any irregularity	HK\$250	HK\$250

10) Discharge

The Holder is required to return the Carnet to The Hong Kong General Chamber of Commerce for discharge at the conclusion of the trip abroad, and at the latest on its expiry date.

1. The security will be returned to the holder, normally in 14 working days, provided that no regularization action is required.
2. Failure to obtain the correct verifications of entry and exit from each country visited; all or part of the goods or the Carnet itself has been lost or stolen (despite police report being available); or any documentation discrepancy found on the Carnet may result in claims and may involve payment of customs duty, tax or penalty. Regularization of any irregularity will delay discharge of this document and the security lodged with the Chamber will be withheld for up to a period of 31 months from the date of issue of the Carnet, provided that the Chamber receives no customs claims. If there are customs claims, the security will be withheld until the claims are completely settled between the Holder and the customs abroad. An administration fee of HK\$250 will be charged for any regularization action taken by the Chamber.

11) Application Form

The applicant must read and complete all sections of the application form, and understand clearly his responsibilities and liabilities under the ATA Carnet system. All related forms can be collected from our 7 branches while submission of application should be done in the Carnet Office at Mongkok. Applications have to be lodged by completion of an application form and a set of carnet forms as well as payment of application fee and security.

- a) The "Holder" is the Hong Kong registered company undertaking as the owner of the goods in applying for the Carnet. The application form must be signed by an appropriately authorized official of the company.
- b) The Holder is "Represented by" a person or persons responsible for

the shipment throughout the whole or part of the journey. The Holder will be held responsible for himself and his representative(s) for compliance with the relevant laws and regulations in the usage of the Carnet. It is suggested that more than one such representative be named to avoid complications due to last minute unforeseen circumstances.

- c) The Holder must state clearly in the "Itinerary" which countries are to be visited and the number of visits so that the Chamber can provide sufficient vouchers/counterfoils for entry into and exit from each country on the Itinerary.

Logistics SCS-based Training Package**Hong Kong Customs Declaration and Clearance Procedure – Assessment**

Topic: Hong Kong Customs Declaration and Clearance Procedure

- (1) UoC Code: LOCUIE205A
Title of UoC: Handle customs clearance procedures
- (2) UoC Code: LOCUIE204A
Title of UoC: Arrange for customs declaration

Assuming training providers will incorporate the above two UoCs into a systematic programme as the aforesaid, the assessment method for each programme will be as follows:

- (1) To review the progress of learning, each programme consists of:
 1. One Classwork (10%)
 2. One Homework (15%)
 3. One Group Presentation (25%)
- (2) After completing a systematic programme (including 2 UoCs), there is an integrated final exam.

The syllabus of the integrated final exam will echo the content of the systematic programme which comprises the 2 UoCs drawn from the logistics SCS. The exam is an overall test of student's learning outcome. In view of the operational and practical content of the two UoCs and their level (level 2) in the qualifications framework, the content to be examined is suggested as follows:

- (1) Mode of examination: Written exam (50%)
- (2) Content of the written exam, ratio of score and number of questions
 1. Multiple-Choice: 10 questions (10%)
 2. Fill in the table: 1 question (20%)
 3. Long Question: 1 question (20%)

Training providers should prepare a question bank with sufficient number of questions in advance to avoid excessive repetition of questions in daily written exams.

If the training provider intends to develop a specific UoC into an independent course, the mode and content of the final exam can be referenced from the continuous assessment methods and assessment criteria of the UoC.

To review the progress of learning, each programme consists of:

- (1) One classwork (10%)
- (2) One homework (15%)
- (3) One Group Presentation (25%)

Integrated final exam (50%)

Total score of each paper is 100, the score of students is calculated based on the designated ratio.

Definition of completion of the course:

- 1) 80% attendance
- 2) Scored 50% or above in the exam and continuous assessment respectively

“Arrangements for Customs Declaration and Handle Customs Clearance Procedures and Documentation Arrangement”

A. Classwork (10%)

Please work out the Declaration Fee as follows:

There are a number of Garments of China Origin, exports destined for the United Kingdom.

Export Date is on Apr 15, 2014 and Declared Date on Apr 30, 2014. The Goods Value is FOB HK for HK\$273,000.00

What kind of declaration forms should be used? How much is the Declaration Fee?

How much is the overdue fines for the overdue of the declaration?

Answer:

1) Declaration form 2 (1%)

2) The Total Declaration Fee : (8%)

The Goods Value : HK\$273,000.00

The First HK\$46,000.00 for Fee HK\$0.20

The rest amount HK\$227,000.00 for Fee $\text{HK\$}0.125/\text{HK\$}1,000 = \text{HK\$}28.375$

The Declaration Fee should be paid : $\text{HK\$}0.20 + \text{HK\$}28.375 = \text{HK\$}28.60$

3) The overdue fines of declaration : HK\$40.00 (1%)

B. Homework (15%):

How many types of Declaration form of Hong Kong Customs and Excise Department?

Answer:

There are six types of declaration form:

Form 1 : Import Declaration for non-good items (2.5%)

Form 1A : Import Declaration for food items classified in Appendix of the current Hong Kong Imports and Exports Classification List (Harmonized System) (2.5%)

Form 2 : Export/Re-export Declaration for export/re-export items except HK manufactured clothing and footwear items (2.5%)

Form 2A : Export Declaration for HK manufactured clothing and footwear items specified in Schedule 1 to the Industry Training (Clothing Industry) Ordinance, Chapter 318, Laws of Hong Kong (2.5%)

Form 1B : Import Declaration for articles exempted from declaration charge (2.5%)

Form 2B : Export/Re-export Declaration for articles exempted from declaration charge (2.5%)

C. One Group Presentation (25%)

For joining a group exhibition of clothing in the United States, please explain why you need to apply for ATA Carnet, and application procedures, fees and anything that needs to pay attention to.

Report Content Rating (20%) :

- 1) According to the "Istanbul Convention" requirement (2%)
- 2) Under what circumstances need to apply for ATA Carnet (2%)
- 3) Authorize the issuing institution (1%)
- 4) Endorsement Procedure (2%)
- 5) Accept ATA Carnet countries and regions (3%)
- 6) Items eligible and not eligible for Carnets? (3%)
- 7) Security Deposit and application fee (2%)
- 8) Application form (3%)
- 9) Application procedure (2%)

Report demo score (5%)

- 1) Auxiliary publication tools such as data, choreography, interesting, effects, etc (2%)
 - 2% Sequentially lists the detailed information, graphics and try to make outstanding results
 - 1% are listed in the presentation material, no image, the general effect
 - 0% list the presentation material, and the effect of depressing choreography inappropriate
- 2) The extent of the preparatory work and familiarity with the contents of the report (1%)
 - 1% prepared, familiar content
 - 0% lack of preparation, not familiar with the content
- 3) Skills, such as fluency, loud voice, eye contact (2%)
 - 2% fluent speech, loud voice, eye contact
 - 1% general speech
 - 0% faint voice, as if speaking for themselves

D. Examination

(1) 10 Multiple Choice questions (@1%, total 10%)

1. In preventing smuggling, the Hong Kong Customs and Excise Department has taken measures in the following kinds of transportation:

- A. Air
- B. Vehicle
- C. Sea
- D. All of the above

Ans. D

2. Air cargo clearance system enhances the efficiency of air cargo clearance, but the security of the following area will not be affected:

- A. U.S.A
- B. U.K
- C. Hong Kong
- D. China

Ans. C

3. Which kind of transportation has the ROCARS set up by Hong Kong Customs?

- A. Sea
- B. Vehicle
- C. Air
- D. Railway

Ans. B

4. In which year on Nov 17, the road cargo system was officially fully implemented ?

- A. 2010
- B. 2011
- C. 2012
- D. 2013

Ans. B

5. Hong Kong Customs has launched a program to facilitate freight forwarders and logistics companies to electronically submit deputy lading information for ocean

cargo clearance. This program is called:

- A. E-Sea Customs Clearance Scheme
- B. Maritime Complicated Clearance Plan
- C. Maritime OnePort Plan
- D. Maritime Cross Clearance Plan

Ans. A

6. Which of the following are characteristics of air cargo clearance system?

- A. Provided seven days a week, 24 hours services
- B. Provided seven days a week, 16 hours services
- C. Provided six days a week, 24 hours services
- D. Provided six days a week, 15 hours services

Ans. A

7. Implementation of the air cargo clearance system is designed to achieve the following outcome(s):

- A. Create a fair competitive environment
- B. Facilitate the retrieval customs action coding
- C. Speedy clearance of non-constrained cargoes
- D. All of the above

8. Which of the following is not Eman service provider?

- A. Brio Electronic Commerce Limited
- B. Hong Kong Customs and Excise Department
- C. Global e-Trading Services Limited
- D. Tradelink Electronic Commerce Limited

Ans. B

9. Which of the following application forms should be used for imports of non-foods declaration?

- A. Form 1
- B. Form 1A
- C. Form 2
- D. Form 2A

Ans. A

10. How much is the declaration fee for form 1A if the value of the imported goods is HK\$460,000?

- A. HK\$0.125
- B. HK\$0.30
- C. HK\$0.20
- D. HK\$20.00

Ans. C

(2) Fill in the Form : Declaration 1

(A) Shipment Details	
2. Importer	ABC Company, 300 Shanghai Street, Kowloon Hong Kong. BR No.23456789-000
3. Arrival Date	Before 2 days
4. Transportation Mode	By Air
5. Form Type	Form 1
6. Flight No.	CX802
7. Exporting Country	Netherlands
8. Port of Loading	Amsterdam
9. Designation	Shipping Clerk
(B) Description	
10. AWB	231-12345678
11. House Transport AWB No.	65432
12. Description of goods	Mobile phone
13. Origin Country	Netherlands
14. Harmonized Commodity Code	85171100
15. Quantity	12,000 pcs (C62)
16. CIF Value	HK\$232,190.00
17. Shipping Marks	HB C/No.1-12
18. Container No.	Nil
19. No. / Kind of Packages	12 Cartons
20. Total No. of Packages	12
21. Notice Reference No.	Nil

Answer :

AUTHORIZATION FOR EDI SUBMISSION OF IMPORT DECLARATION FORM 1

附錄68

(PLEASE COMPLETE THE FORM IN PRINT 請用正楷填寫)

Importer Name ABC Company.,		Port of Loading Amsterdam		FOR INTERNAL USE ONLY 此欄由服務站職員填寫	
Address 300 Shanghai Street, Kowloon H.K.		Exporting Country Netherlands			
Name of Town/District/Village Hong Kong/Kowloon/New Territories		Arrival Date: Year / Month/ Day			
Country/Territory Code	Country/Territory Sub-entity ID	Postcode ID			
Tel. No. 23456789		Fax No. 23456788			
Business Reg. No. 23456789-000		Hong Kong I.D. No.		Unique Consignment Ref. (單一貨物代碼):	

Transport Mode 運輸方式 (Please "✓" for your selection and complete transport information as appropriate 請在適合方格內"✓"並填報運輸資料)

<input type="checkbox"/> Ocean 海運 <input type="checkbox"/> River 河運	Vessel Name 船名 Voyage No. 航次	Master B/L No. 主提單編號 Consolidated shipment: <input type="checkbox"/> Yes / <input type="checkbox"/> No* 合併裝運: <input type="checkbox"/> 是 / <input type="checkbox"/> 否* If Yes, House B/L No. 如是,請填報提單編號:
<input type="checkbox"/> Rail 鐵路	Wagon No. 火車車卡號碼	Rail Cargo Receipt No. 鐵路收據編號:
<input type="checkbox"/> Road 道路	Vehicle No. 車輛號碼	Customs Cargo Ref No. 海關貨物編號:
<input checked="" type="checkbox"/> Air 空運	Flight No. 飛機班次 CX802	Master AWB No. 主空運提單編號: 12345678 Consolidated shipment: <input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No* 合併裝運: <input checked="" type="checkbox"/> 是 / <input type="checkbox"/> 否* If Yes, House AWB No. 如是,請填報空運提單編號: 65432
<input type="checkbox"/> Mail 郵寄	P.O. Receipt No. 郵寄包裹單編號	
<input type="checkbox"/> Fixed Transport Installation 固定運輸裝置		
Customs Control Point 海關管制站名稱(Please "✓" for your selection 請在適合方格內"✓"): <input type="checkbox"/> 1. HK International Airport 香港國際機場 <input type="checkbox"/> 2. Hung Hom Through Train Station 紅磡車道車站 <input type="checkbox"/> 3. Lo Wu 羅湖 <input type="checkbox"/> 4. Lok Ma Chau 落馬洲 <input type="checkbox"/> 5. Man Kam To 文錦渡 <input type="checkbox"/> 6. Sha Tau Kok 沙頭角 <input type="checkbox"/> 7. China Ferry Terminal 中國客運碼頭 <input type="checkbox"/> 8. Hong Kong - Macau Ferry Terminal 港澳客輪碼頭 <input type="checkbox"/> 9. Other Control Points 其他邊境口岸		
<input type="checkbox"/> Others 其他 Customs Declaration Ref. (報關通知書編號):		

Marks, Nos. & Container No. 標記, 箱號及貨櫃編號 HB C/No.1-12	No. and Type of Packages 包裝件數及種類 12 Cartons	Description of Goods 貨物說明 Mobile Phone
Total No. of Packages 總件數: 12		

Item No. 項目	Origin Country 來源國家	Commodity Code 貨物分類編號 (Harmonized System 協調制度)	Quantity 數量	Unit of Quantity 數量單位	#CIF Value HK\$ # 香港到岸價值
1.	Netherlands	85171100	12,000	pcs	232,190.00
2.					
3.					
4.					
5.					
#CIF value comprises the full cost of goods up to arrival in HK, including the cost of goods, insurance, freight and any other charges. The Commissioner of Customs & Excise is empowered to assess the value. #香港到岸價值指貨物或進本港時之實價並包括保險、運費及其他費用。海關關長獲授權可將對貨物作出估價。					Total 總值 232,190.00

If the declaration is made after receiving the notice issued by the Census and Statistics Department, please quote the Notice Ref. No. which appears on the top right corner of the notice. 如已獲准由政府統計處發出關於上列貨品之報關通知書,請在空格內填寫位於通知書右上方的通知書編號。

DECLARATION 聲明: I hereby declare that I am the importer of the goods in respect of which this declaration is made and that the particulars given in this declaration are accurate and complete. I hereby authorise Tradelink Electronic Commerce Limited to generate the relevant codes in respect of the particulars given in this declaration, and to send and receive the EDI messages related to this declaration to and from the Government. 茲聲明本人為此進口報關表格所列貨物之進口公司或人士, 願將內容全部正確及齊備。本人授權網貿易電子貿易有限公司根據本人所填報之報關資料及引用適當代碼, 傳送及接收與政府之有關報關之電子信息。

Signatory's name 簽名人姓名 (IN BLOCK LETTERS 正楷)	Fred Wong	Signature 簽署
Designation 職位	Shipping Clerk	Date 日期

INACCURATE DECLARATION IS A CRIMINAL OFFENCE AND LIABLE TO A MAXIMUM FINE OF \$10,000. 填報不準確資料屬刑事罪行最高可被罰款一萬元

*Delete if not applicable 請刪除不適用者 *每張表格只接受五個項目, 如超過, 請增加頁數填寫。(編號和總價值只新填寫在最後的頁內)

資料來源自貿易通

(3) Long question : (20%)

Hong Kong Customs uses a plurality of electronic cargo clearance system to speed up customs clearance. Please describe the electronic clearance system for each mode of transportation.

Answer :

Hong Kong Customs and Excise Department is responsible for protecting the HKSAR from smuggling. The measures include inspecting goods exported and imported from air, land or sea and search flights, ships and vehicles reaching and departing Hong Kong to prevent illegal importation and exportation prohibited items. (1%)

A. Air (3%)

There is an Air Cargo Clearance System (ACCS) which enhances the Customs clearance of air cargoes. The ACCS enables the C&ED to provide fast Customs clearance service to the legitimate trade without compromising security of the HKSAR.

B. Land (8%)

For cargo imported or exported by trucks through land boundary control points (LBCPs), the Road Cargo System (ROCARS) enables registered shippers or their authorized agents to submit advance cargo information to the C&ED by electronic means. Meanwhile, cross-boundary truck drivers also enjoy seamless Customs clearance service and they will be signaled by ROCARS whether their vehicles shall be examined upon arrival at the fully automated Customs clearance facilities at the LBCPs

Road Cargo System :

The Road Cargo System (ROCARS) commenced its mandatory implementation on 17 November 2011. It enables registered shippers or their authorized agents to submit advanced cargo information of road cargo by electronic means. Under the system, truck drivers can enjoy seamless and speedy Customs clearance when they convey road cargoes across land boundary control points.

C. Sea (8%)

For containerized consignments shipped by ocean-going vessels, the Customs and Excise Department (C&ED) may issue a notice of detainment to shipping agents, container terminal operators, godown owners and consignees, in request of

submitting the cargo manifest for examination. Apart from the traditional hard copy handling method, C&ED encourages carriers to submit electronic cargo manifests through the Electronic System for Cargo Manifests before the arrival of consignment. For containerized cargoes conveyed by river trade vessels, the C&ED may issue detention notices to the consignees of the cargoes, shipping agents, container terminal operators and godown operators requiring their cargoes to be moved to premises nominated by the consignees, owners or shipping agents for cargo examination.

For non-containerized sea consignments, C&ED may send officers to conduct strike and search operations onboard the vessels or at the loading spots, for example, Public cargo Working Areas or buoys. The captains or agents of the vessels must provide manifests of the consignments being imported or exported upon the request of the Department Officers.