

Development of Trade Single Window in Hong Kong

Current Situation in Hong Kong

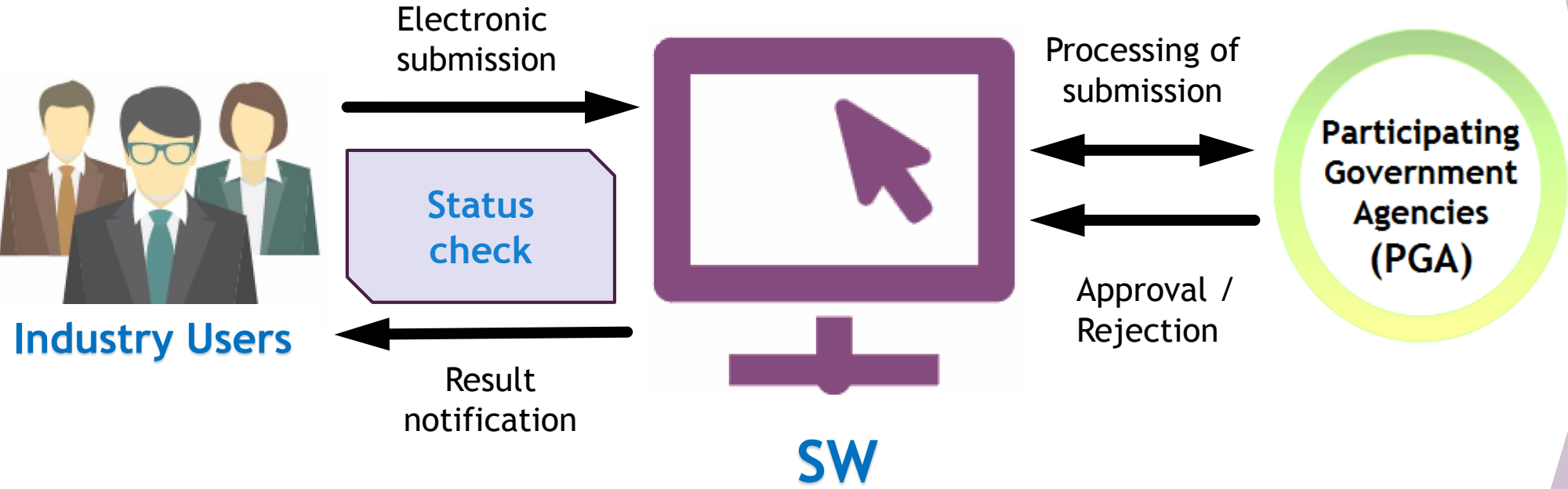
- ▶ 51 business-to-government (B2G) trade documents required by 9 government agencies for import, export and transshipment of goods
 - 24 documents in electronic mode
 - 27 documents in paper mode
- ▶ Under 3 broad categories:
 - **Post-shipment** - Import and Export Declaration (TDEC) & Statement Two Cargo Manifest
 - **Pre-shipment** - Advance Cargo Information (ACI) & Statement One Cargo Manifest
 - **Pre-shipment** - Licences, Permits and other documents for goods that are subject to specific control or scheme

Trade Single Window for Hong Kong

Trade Single Window (SW) for Hong Kong

- ▶ Central IT platform for one-stop lodging of 51 B2G trade documents for meeting different regulatory requirements
- ▶ Harmonised and standardised information required across documents
- ▶ Government agencies remained the authority to process the documents and submissions
- ▶ Championed by World Customs Organization (WCO), World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC)
- ▶ Over 70 economies have developed or are developing SWs, and most APEC economies have set up SWs

Flow of Information



Benefits and Savings

Trading Community

- ▶ 24/7 service
- ▶ IT device of own choice
- ▶ Data reuse and sharing
 - Minimise input effort and manual errors
 - Estimated saving of \$860 million to \$1,500 million per annum in administrative costs
- ▶ Central database on updated regulatory requirements

Information Reuse



e-Licence number



Data Reuse with SW



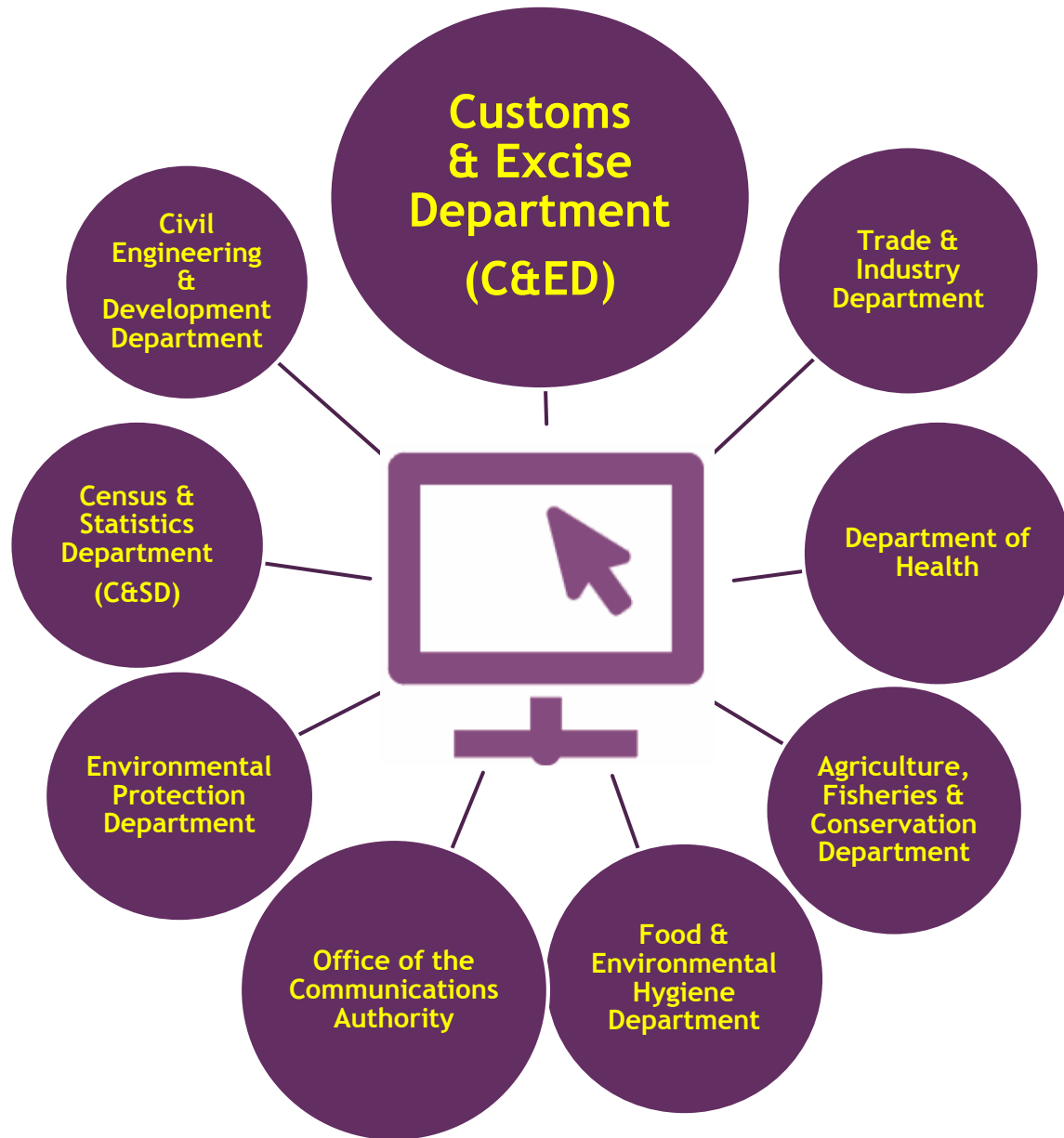
Information Reuse

Data Inheritance		
1. Import/export company	}	Company information
2. Business registration number		
3. Address		
4. Telephone number		
...		
...		
7. Container number	}	Consignment information
8. Number and type of packages		
9. Goods description		
...		
...		
...		
13. Transportation details	}	Other information
14. Hong Kong Harmonised System (HKHS) Code		
...		
...		

Benefits and Savings

Government

- ▶ More efficient trade facilitation and control across government agencies
- ▶ Streamline operations and promote online services for public
- ▶ Promote customs cooperation
- ▶ Building block for e-commerce initiatives, e.g. connection with business-to-business (B2B) systems



- ▶ Common platform for government agencies
 - Better risk-profiling
 - More effective goods tracing

Connectivity

- ▶ SW will have technical capability to facilitate -
 - Connections with SWs of other economies, such as Hong Kong's major trading partners (the Mainland, US and ASEAN)
 - Interface with B2B platforms



Pre-shipment Documentation for Hong Kong

The Case for Pre-shipment Documentation Regime in Hong Kong

- ▶ Align with international mainstream:
Hong Kong is the only major economy allowing post-shipment TDEC
- ▶ Streamline and rationalise existing myriad of pre- and post-shipment submission requirements
- ▶ Development of SW presents unique opportunity for considering change

Possible Benefits of Pre-shipment Documentation

- ▶ Simplification of Cargo Manifests and ACI Requirements
- ▶ Seamless Cargo Clearance
- ▶ Enhanced Trade Control and Facilitation

Present	Submission	Air Cargo	Sea Cargo	Road Cargo	
Current Regime: Cargo Manifest and ACI	Statement One Cargo Manifest (Upon demand)	Who to submit	Carrier		
		When to submit	Pre-shipment		
		How to submit	Paper	<ul style="list-style-type: none"> - Paper - Electronic record - Electronic (Government Electronic Trading Service (GETS)) 	Paper
		Level of information	Master & House		
	Statement Two Cargo Manifest (Mandatory)	Who to submit	Carrier	Carrier	Trucker
		When to submit	Post-shipment	Post-shipment	Post-shipment
		How to submit	Electronic (GETS)	Electronic (GETS)	Paper
		Level of Information	Master & House	Master & House	Consignment
	ACI (Voluntary for air and water inbound cargoes, mandatory for all land cargoes)	Who to submit	Air Cargo Operator	Carrier & Forwarder/ Agent	Trader & Trucker/Agent
		When to submit	Pre-shipment		
How to submit		Electronic (Air Cargo Clearance System (ACCS))	For Ocean Going Vessels (OGVs) EMAN Statement One Submission Scheme for OGVs <ul style="list-style-type: none"> - Electronic (GETS) E-Sea Customs Clearance (e-SCC) <ul style="list-style-type: none"> - Electronic For River Trade Vessels (RTVs) ACI of RTVs <ul style="list-style-type: none"> - Paper - Electronic 	Electronic (Road Cargo System (ROCARS))	
Level of information		Master & House	Master & House	Consignment	

Future

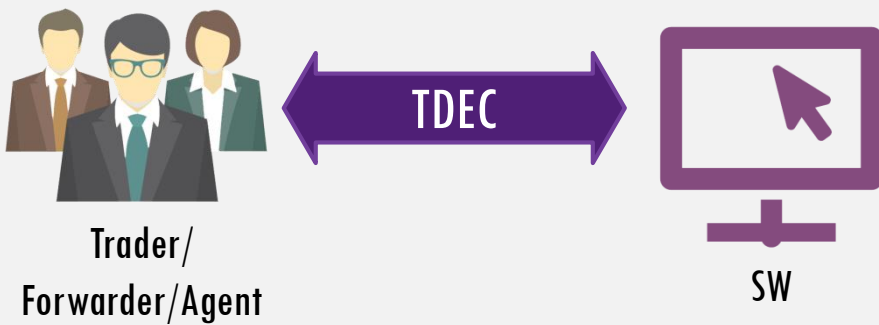
Pre-shipment Regime: Cargo Report

Submission		Air Cargo	Sea Cargo	Road Cargo
Cargo Report (Mandatory)	Who to submit	Carrier & Forwarder	Carrier & Forwarder	Trucker & Trader (for exempted articles)
	When to submit	Pre-shipment		
	How to submit	Electronic (SW)		
	Level of Information	Master & House	Master & House	Consignment

Future

Arrival and Departure of Goods

General Goods – TDEC



Between 14 days and 30 mins before the arrival or departure of goods
(transport mode specific deadlines)

Present



Within 14 days after
import, export or re-export

Future

Arrival and Departure of Goods



Trader/
Forwarder/Agent



SW

**Controlled Goods –
TDEC, License and Permit**

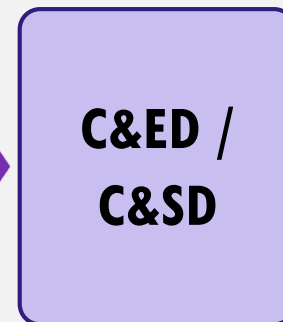
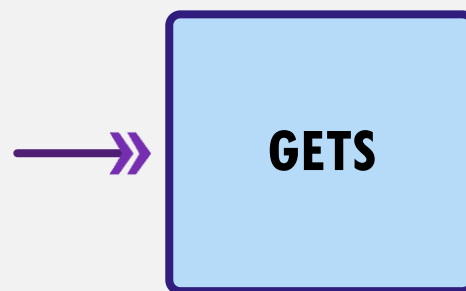
Between 14 days and 30 mins before the arrival or departure of goods
(transport mode specific deadlines)



Trader/
Forwarder/Agent



Trader/
Forwarder/Agent



Within 14 days after
import, export or re-export

Present

Future

Arrival and Departure of Goods

Cargo Report (Sea mode)



Carrier

(Master level)



Forwarder

(House level)



SW

Between 14 days and 30 mins before the arrival or departure of goods (transport mode specific deadlines)

Statement One Cargo Manifest

Statement Two Cargo Manifest

OGV

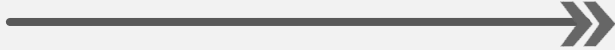


Carrier



Forwarder

ACI (House level)



Carrier

ACI (Master level)



C&ED



Carrier



C&ED / C&SD

Within 14 days after import, export or re-export

RTV

Present

Future



Trader/
Forwarder/Agent



Trucker



SW

Between 14 days and 30 mins before the arrival or departure of goods
(transport mode specific deadlines)

Arrival and Departure of Goods

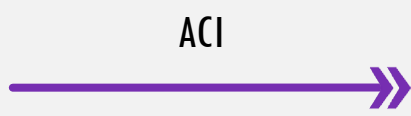
Cargo Report (Road mode)



Trader/
Forwarder/Agent



Trucker



C&ED
ROCARS

Road Manifest



Between 14 days and 30 mins before vehicle arrival at
Customs Control Point

Present

Future

Arrival and Departure of Goods

Cargo Report (Air mode)



Carrier

(Master level)



Forwarder

(House level)



SW

Between 14 days and 30 mins before the arrival or departure of goods (transport mode specific deadlines)

Statement Two Cargo Manifest



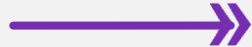
Carrier

ACI

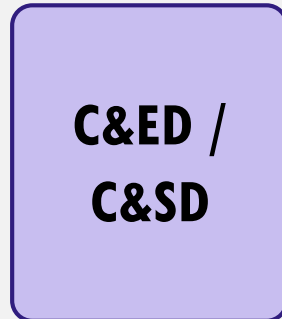


Air Cargo Operator

ACI



Carrier



Within 3 hours before flight arrival

Within 14 days after import, export or re-export

Present

Feasibility and Concerns of Pre-shipment Documentation

Feasibility

- ▶ Local trading community already capable of complying with overseas and Mainland pre-shipment submission requirements

Concerns

- ▶ Detailed information not available in time
- ▶ Time and cost of post-shipment amendments
- ▶ Legal liability of mis-reporting (traders, carriers, forwarders)
- ▶ Effect on Hong Kong's competitive advantage

Possible Ways to Address Concerns

- ▶ Sufficient time for pre-shipment TDEC submission
- ▶ Reasonable pre-shipment TDEC information requirements
- ▶ Allowing reasonable or genuinely necessary post-shipment amendments
- ▶ Allowing post-shipment payment of TDEC charges

Views are welcome

Implementation of SW in Hong Kong

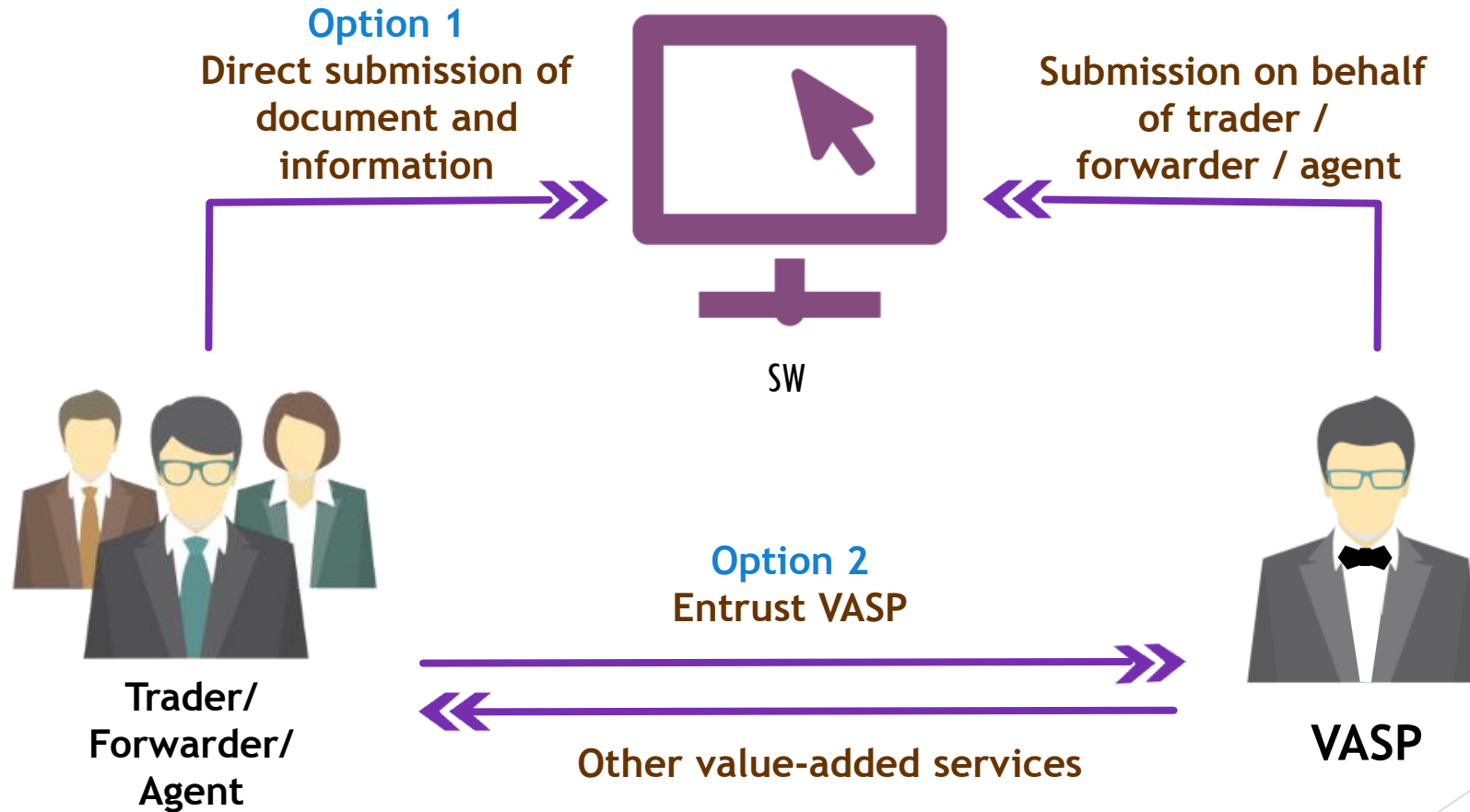
SW Operation and Fees

- ▶ 24/7 service
- ▶ Operated by C&ED
- ▶ Change in submission mode to SW is neutral and should not attract new fee
- ▶ 35 out of 51 documents are now free of charge
- ▶ Government to review, and as appropriate, carry out costing exercise to achieve full cost recovery

Value-added Services

- ▶ Possible private sector value-added services:
 - Paper to electronic conversion
 - Expanded data inheritance
 - Expanded reporting and statistical analysis
 - Expanded forwarding and data sharing
 - Consolidated submission
 - Messaging and translation
 - System-to-system connectivity
- ▶ Accreditation to ensure propriety of value-added service providers

Value-added Service Providers (VASP) as an option



Implementation Schedule

- ▶ Phase 1 (Q1 2018 the earliest)
 - Cover 14 documents that do not require legislative amendments in migrating to SW
 - Import and export licences and permits
 - Voluntary

SW Phase 1 (Q1 2018 the earliest)

	Government	Document and Submission
1	Customs and Excise Department	Transshipment Certificates under the Economic Cooperation Framework Agreement between the Mainland and Taiwan (ECFA) and the Free Trade Agreement Transshipment Facilitation Scheme
2		Licence for Controlled Chemicals
3		Removal Permit for Controlled Chemicals in Transshipment
4		Licence for Optical Disc Mastering and Replication Equipment
5		Certification of non-U.S. Frozen Chicken Products Transhipped to the Mainland through Hong Kong
6		Notification for Optical Disc Mastering and Replication Equipment
7	Department of Health	Import Permit for Biological Materials
8	Agriculture, Fisheries and Conservation Department	Licence for Pesticides
9	Food and Environmental Hygiene Department	Food Import Declaration Form
10	Office of the Communications Authority	Transshipment Notification for Radiocommunications Transmitting Apparatus
11		Import and Export Permit for Radiocommunications Transmitting Apparatus
12	Civil Engineering and Development Department	Removal Permit for Sand
13	Environmental Protection Department	Licence for Scheduled Chemicals
14		Licence for Ozone Depleting Substances

Implementation Schedule

- ▶ Phase 2 (Q4 2021 the earliest)
 - Cover 14 documents under Phase 1 plus 26 documents requiring legislative amendments in migrating to SW
 - Import and export licences and permits
 - Statutory requirements (possible transitional period of 12 months)

SW Phase 2 (Q4 2021 the earliest)

	Government	Document and Submission
1	Customs and Excise Department	Import and Export Statement for Dutiable Commodities
2		Permit for Dutiable Commodities
3	Trade and Industry Department	Licence for Strategic Commodities
4		Certificate of Origin
5		Import/Export Licence for Rice
6		Kimberley Process Certificate
7	Department of Health	Import/Export Licence for Pharmaceutical Products and Medicines
8		Import/Export Licence of Proprietary Chinese Medicines
9		Import Licence for Radioactive Substances and Irradiating Apparatus
10		Import/Export Licence and Certificate for Dangerous Drugs
11		Removal Licence for Dangerous Drugs
12		Import/Export Licence of Chinese Herbal Medicines
13	Agriculture, Fisheries and Conservation Department	Licence to Export/Re-export Endangered Species
14		Special Permit for Import Dogs and Cats from Overseas

SW Phase 2 (Q4 2021 the earliest) (Cont'd)

	Government	Document and Submission
15	Agriculture, Fisheries and Conservation Department	Re-export Certificate for Species of non-Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or not yet Controlled under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586)
16		Licence for Import Plant
17		Special Permit for Import of Food/Pet Reptiles
18		Permit for Import of Mammals from the Mainland and Animal products
19		Special Permit for Import of Animals and Birds from Overseas
20		Licence to Import/Introduce from the Sea for Endangered Species
21	Food and Environmental Hygiene Department	Import Licence for Frozen or Chilled Meat and Poultry
22		Permission for Import of Game, Meat and Poultry
23		Health Certificate for Foods of Animal Origin
24		Permission for Import of Milk, Cream and Milk Beverage
25		Permission for Import of Frozen Confections
26		Permission for Re-Export of Game, Meat and Poultry through Hong Kong to the Mainland/Macau

Implementation Schedule

- ▶ Phase 3 (Q4 2023 the earliest)
 - Cover 40 documents under Phase 1 and 2, plus TDEC and Cargo Report
 - Statutory requirements (possible transitional period of 12 months)

SW Phase 3 (Q4 2023 the earliest)

	Government	Document and Submission
1	Customs and Excise Department & Census and Statistics Department	Import and Export Declaration
2		Cargo Manifest (Road Mode)
3		Cargo Manifest (Air and Water Modes)
4	Customs and Excise Department	Submission to ROCARS
5		Submission to ACCS
6		ACI - RTV Scheme
7		EMAN Statement One Submission Scheme for OGVs
8		Submission of House Level Bill of Lading under e-SCC Scheme
9		Manifests submitted by OGVs and RTVs on request
10		Submission of Importer Information
11		Declaration of Cargo Agents/Designated Places for Storage of Inbound/Transshipment Containers

Government Electronic Trading Service (GETS)

- ▶ Existing contract until end 2018
- ▶ Continue GETS model until full implementation of SW, possibly by a term of 6 years from 2019 to end 2024

Next Steps

- ▶ Public consultation from 13 April to 12 July 2016
- ▶ Welcome views on SW design and implementation, and pre-shipment operational details
- ▶ Roll out date subject to LegCo approval of legislative proposals (amending some 30 Ordinances and Regulations) and funding proposals
- ▶ Look forward to industry support