

## STRATEGIC COMMODITIES CONTROL SHIPMENT IN HONG KONG ~ DUAL USAGE TELECOMMUNICATIONS

**Who:** The import and export of strategic commodities is controlled by the Trade and Industry Department a government department of the Hong Kong SAR.

[http://www.stc.tid.gov.hk/english/circular\\_pub/bygeneral\\_info.html](http://www.stc.tid.gov.hk/english/circular_pub/bygeneral_info.html)

**NB: Importers and exporters MUST note that these are rules and regulations as written by the government of the Hong Kong SAR. They may or may not reflect international regulations however it is important that they are adhered to and respected.**

**Why:** Strategic commodities are items listed in the Schedules to the Import and Export (Strategic Commodities) Regulations made under the [Import and Export Ordinance, Chapter 60, Laws of Hong Kong \("Ordinance"\)](#). Import and export of strategic commodities are required by the Ordinance to be covered by import and export licenses issued by the Director-General of Trade and Industry.

**Identifying:** Prior to import or export a forwarder/operator/buyer/supplier should seek advice from the Hong Kong TID directly to ascertain the licensing requirements of their equipment. Importers and exporters can check the TID website as well for classification;

[http://www.stc.tid.gov.hk/english/circular\\_pub/byspecificproduct.html](http://www.stc.tid.gov.hk/english/circular_pub/byspecificproduct.html)

### How To Initially Identify It Is Strategic Commodities

Product descriptions: - Media server, network server, network switch, Ethernet switch, router, processor, Library . . . etc. are often deemed controlled items. Importers/exports should check with the Manufacturer to clarify for certain the control classification using the relevant manufacturer's information, product name and part number.

<http://www.stc.tid.gov.hk/service/productSearch.do?locale=eng&text=0>

To facilitate the trade in determining whether a product is a strategic commodity and hence subject to import/export licensing control, Trade and Industry Department ("TID") provides a Pre-Classification Service.

<http://www.stc.tid.gov.hk/english/checkprod/introduction.html>

To attain classification that equipment is a strategic commodity and controlled for import/export in Hong Kong, the best way is submit Pre-classification to HKTID (Hong Kong Trade and Industry Department), HKTID will base on the information you provide to check and classify it is controlled within Hong Kong or not.

[http://www.stc.tid.gov.hk/english/circular\\_pub/stc5\\_04.html](http://www.stc.tid.gov.hk/english/circular_pub/stc5_04.html)

A controlled shipment for import/export Hong Kong MUST be held at origin and wait for approval notice – if Royale act as the importer/exporter, we can assist to confirm the shipping documents are correct. We will contact the consignee/shipper to make sure they have prepared/applied for a valid import License to move the shipment.

**NB: Royale will not entertain retrospective applications and clients will be requested to make their own application as required.**

**Import:** In case shipment is coming and we need to check shipping paperwork to classify the products control in Hong Kong, we will request client to provide as follows;

- Product Data Sheet/ Product Brochure
- Copy of CCATS [http://en.wikipedia.org/wiki/Commodity\\_Classification\\_Automated\\_Tracking\\_System](http://en.wikipedia.org/wiki/Commodity_Classification_Automated_Tracking_System)

- Manufacturers Letter of confirmation ( include CCATS, part number, product description, complete by Manufacture Company letterhead and signed )
- Export license from Origin of export

### Licence Application Advance Arrival

Licence application should be the importer / consignee (end-user) responsibility. Application can be made online directly with the HKTID and can take approx 10 – 14 business days for the license to be approved and issued.

Royale International in certain cases will assist shippers/importers with application.

<http://www.stc.tid.gov.hk/english/checkprod/procedures.html>

[http://www.stc.tid.gov.hk/english/download/by\\_formno.html](http://www.stc.tid.gov.hk/english/download/by_formno.html)

Online applications are required to be submitted in person to complete the application process for a strategic commodities License. Applicant **MUST** bring the following to the **HKTID**:

- Product Data Sheet/ Product Brochure
- Copy of CCATS#
- Manufacturers Letter of confirmation (include CCATS, part number, product description, completed by Manufacturer on Company letterhead and signed )
- Completed Encryption questionnaire (Not always a necessity but be prepared)  
<http://www.stc.tid.gov.hk/english/download/files/nf042-c.pdf>

Upon receipt of the license Royale International will advise the shipper to proceed with the export and handle the cargo on arrival Hong Kong in accordance with Import and Export Ordinance, Chapter 60, Laws of Hong Kong ("Ordinance").

### Licence Application – Retrospective

**Important Note:** Section 6A of Import and Export Ordinance, Chapter 60 of the Laws of Hong Kong, stipulates that any person who imports or exports strategic commodities without valid licence commits an offence and is liable:

On summary conviction to a fine of \$500,000 and to imprisonment for 2 years;

And;

On conviction of indictment, an unlimited fine and imprisonment of up to 7 years

Royale International in certain cases will assist shippers/importers with application.

Retrospective applications can be made to the HKTID and can take upto 6 weeks for approval and licensed issued.

- Exporter/manufacturers explanation letter for shipping without the relevant import license
- Product Data Sheet/ Product Brochure
- Copy of CCATS#
- Manufacturers Letter of confirmation (include CCATS, part number, product description, complete by Manufacturers Company on letterhead and signed )
- Completed Encryption questionnaire (Not always a necessity but be prepared)  
<http://www.stc.tid.gov.hk/english/download/files/nf042-c.pdf>
- Form SC005 Request for retrospective Issue of Strategic Commodities Import License (Complete by Importer / Consignee)  
<http://www.stc.tid.gov.hk/english/download/files/nf016-c.pdf>
- Form SC006 SC006 – Carrier / Cargo Agents declaration for retrospective strategic commodity import License

Upon receipt of the license Royale International will advise the shipper to proceed with the export and handle the cargo on arrival Hong Kong in accordance with Import and Export Ordinance, Chapter 60, Laws of Hong Kong ("Ordinance").