

# Inter-agency Cooperation and Coordination Experience of Hong Kong

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# Hong Kong Special Administrative Region



- Administration of Own Strategic Trade Control System since 1950s
- “One Country, Two Systems”
- Separate Customs Territory

# Policy Objectives

- Prevent Hong Kong from being used as a conduit for proliferation
- Secure continued access to high technology which is essential to our economic development

# The Four Basics

- Stringent legislation
- Comprehensive licensing control
- Vigorous enforcement
- Active participation in international cooperation



Licensing

Strategic Trade Control  
of Hong Kong



Enforcement

**Import and Export  
(Strategic Commodities)  
Regulations**

**Import  
& Export  
Ordinance**

# Legal Basis of Control

*Import and Export Ordinance  
(Chapter 60, Laws of Hong Kong)*



# Comprehensive Licensing Control

Export

Import

In-transit

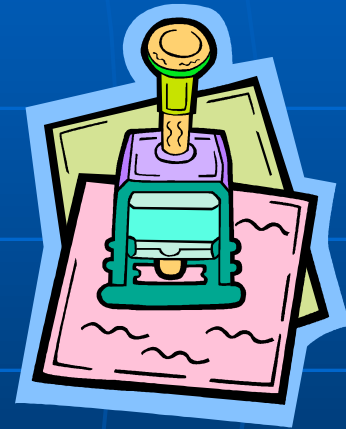
Transshipment

**Pre-shipment and consignment-based  
comprehensive licensing system**

# Comprehensive Licensing System

Law-based licensing system:

- Consignment-based
- Pre-shipment licensing
- Carriers' legal responsibilities
- End-use/Catch-all control
- No undercutting principle



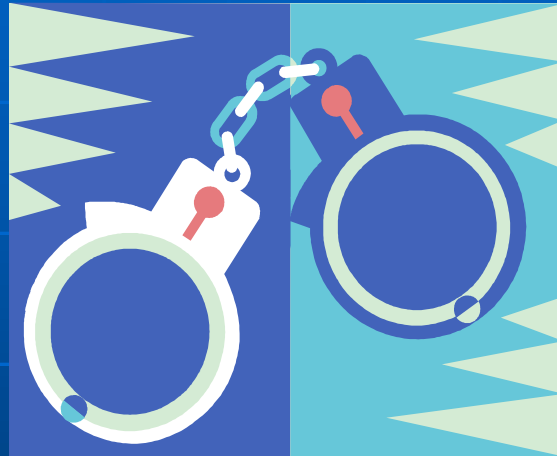


# No Undercutting Principle

- Not to undercut the control systems of trading partners' governments
- No re-export or transshipment through Hong Kong unless authorized by originating country
- Guarding against unauthorized diversion

# Vigorous Enforcement System

***Inspection  
and  
Verification***



***Cargo  
Examination***

***Investigation***

***Intelligence***

***Prosecution***

# Extensive Enforcement Powers

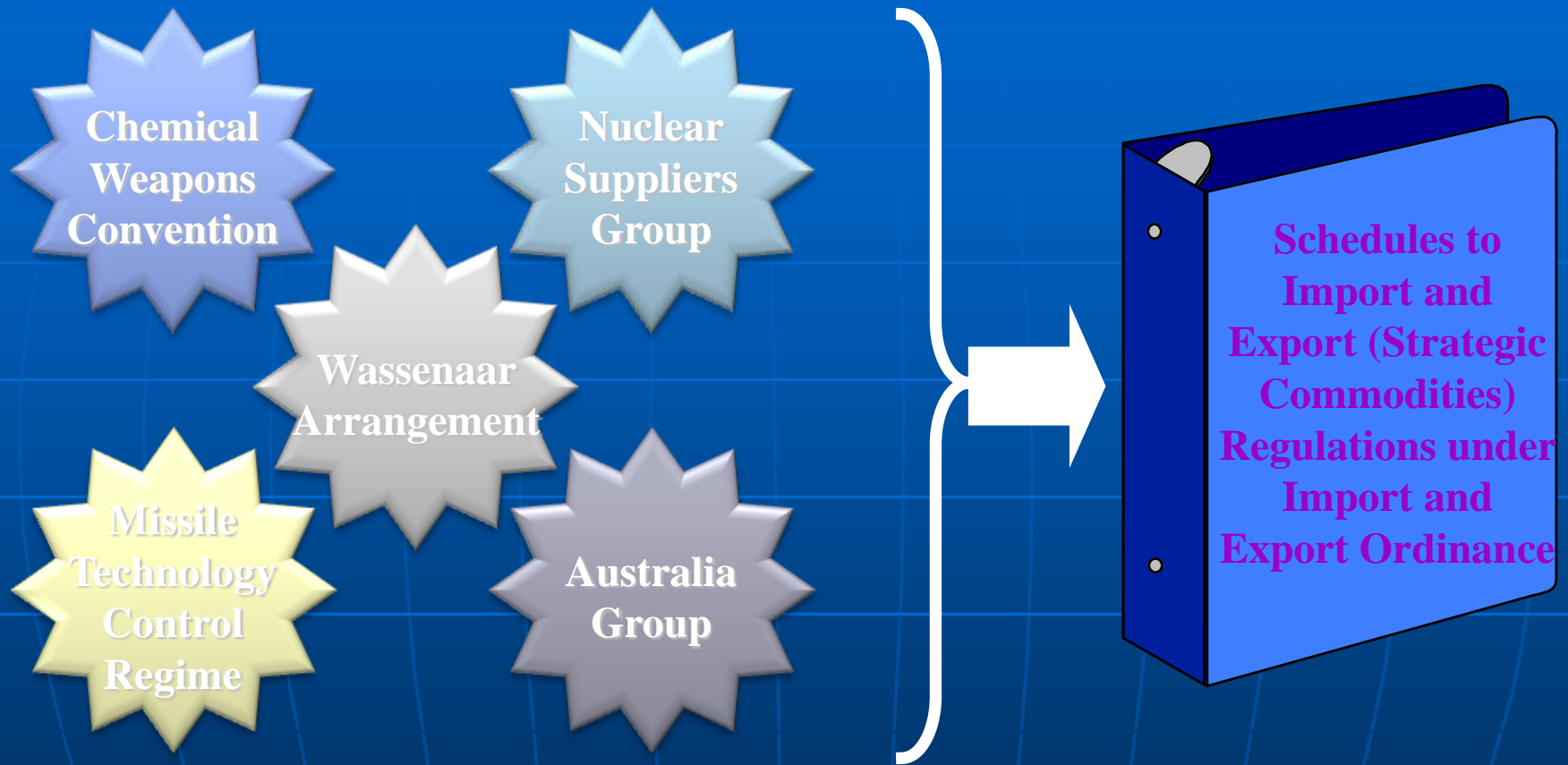
- Power to enter and search premises for enforcement
- Direction Order to detain the goods pending investigation
- Mandatory forfeiture
- Maximum penalty - 7 years imprisonment and unlimited fine



# International / Bilateral Cooperation



# Updates on Control Regimes



- Following the controls of international regimes
- Regular updating, through legislative amendments, to reflect changes made in regimes

# Participation in International Conferences / Workshops

- Annual Asian Export Control Seminar in Tokyo
- Annual International Export Control Conference
- Ad hoc seminars conference in international export arena

# Joint Outreach/Training Workshops with Trading Partners

- Co-organized with METI, Japan  
Hong Kong-Japan Joint Industry Outreach Seminar on Strategic Trade Control
- Co-organized with DOC, U.S.  
Hong Kong-U.S. Joint Outreach Seminar on Strategic Trade Control
- Co-organized with DOE, U.S.  
Commodity Identification Training  
Analysis of Strategic Commodity Transfer



# Bilateral Exchange (1)

- Bilateral meetings with major trading partners (e.g. Japan, UK, U.S. etc.)
- Information exchange on licensing and enforcement (16 countries including Australia, Japan, UK, U.S. etc.)



# Bilateral Exchange (2)

- Liaison with local attaché (U.S. BIS attaché ICE attaché in HK)
- Liaison with overseas authorities and local Consulate General on Trade and Commerce for control updates

# Secondment Exercise

- An advisory arrangement
- Expertise sharing: licensing, classification, internal compliance programme, etc
- Network building with technical experts
- Since mid-1990s :
  - Australia - Department of Foreign Affairs and Trade
  - Japan - Japan International Cooperation Agency
  - Ministry of Economy, Trade and Industry
  - UK - Department of Trade and Industry
  - US - Department of Commerce

# Conclusion – Hong Kong's Experience

- A robust strategic trade control system
- Evolving with the updated trend of control
- Inter-agency cooperation and coordination is the key for non-regime-member
- a high standard of control and compliance

**Thank You**