

LEGISLATIVE COUNCIL BRIEF

Import and Export (General) Regulations
(Chapter 60 subsidiary legislation)

IMPORT AND EXPORT (GENERAL) REGULATIONS (AMENDMENT OF FOURTH SCHEDULE) ORDER 2001

INTRODUCTION

This brief explains the Import and Export (General) Regulations (Amendment of Fourth Schedule) Order 2001 (“the Order”) at Annex A.

BACKGROUND AND ARGUMENT

Present Position

2. Under the Import and Export Ordinance (Cap. 60), traders are required to have licences for the import or export of textiles. Regulation 6(3A) of the Import and Export (General) Regulations (“the Regulations”) however provides that the Director¹ may exempt, in writing, a textiles trader registered under Regulation 5A of the Regulations from such licensing requirements in accordance with the Fourth Schedule to the Regulations. Under item (e) of the Fourth Schedule, the Director may exempt, among other things, exports of textiles samples to the United States of America (“the US”) which do not exceed US\$250 in value and comply with other conditions set out in item(e)(i), as well as mutilated or stamped samples that comply with the conditions set out in item (e)(ii).

Current Amendment Exercise

3. The Order amends items (e)(i) and (e)(ii) of the Fourth Schedule to the Regulations to reflect the current value limit and stamping conditions imposed by the US Government on exports of quota-free textiles samples to the US. A registered textiles trader who exports textiles samples of Hong Kong

¹ Under the Import and Export Ordinance (Cap. 60), “Director” means the Director-General of Trade and Industry and, except where the expression “Director-General of Trade and Industry” is used, any Deputy or Assistant Director-General of Trade and Industry.

origin to the US in compliance with the revised conditions does not need an export licence. A copy of the existing Fourth Schedule is at Annex B.

PUBLIC CONSULTATION

4. The amendments contained in the Order are technical in nature. It is considered that public consultation is not necessary.

FINANCIAL AND STAFFING IMPLICATIONS

5. The amendments will only slightly reduce the number of export licences to be processed by the Trade and Industry Department and have insignificant financial and staffing implications for the Government.

ECONOMIC IMPLICATIONS

6. The Order will enable registered textiles traders to export textiles samples of higher value to the US without the need to apply for export licences, thus help reduce their administrative work.

LEGISLATIVE TIMETABLE

7. The Order will be published in the Gazette on 1 June 2001 and tabled at the Legislative Council on 6 June 2001.

PUBLICITY

8. The Trade and Industry Department will issue circulars to inform the trade of the changes.

ENQUIRIES

9. For any enquiries on this brief, please contact Miss Winnie To, Principal Trade Officer, Trade and Industry Department at 2398 5483.

**IMPORT AND EXPORT (GENERAL) REGULATIONS (AMENDMENT OF
FOURTH SCHEDULE) ORDER 2001**

(Made under regulation 7 of the Import and Export
(General) Regulations (Cap. 60 sub. leg.))

1. Commencement

This Order shall come into operation on 23 July 2001.

2. Fourth Schedule amended

The Fourth Schedule to the Import and Export (General) Regulations (Cap. 60 sub. leg.) is amended -

- (a) within the square brackets, by adding ", 6" after "5A";
- (b) in paragraph (e) -
 - (i) in subparagraph (i) -
 - (A) by repealing "US\$250" and substituting "US\$800";
 - (B) in sub-subparagraph (C), by repealing "US\$250" and substituting "US\$800";
 - (C) in sub-subparagraph (G)(I)(1), by repealing "51" and substituting "153";
 - (D) in sub-subparagraph (G)(II)(2), by repealing "127" and

- substituting "153";
- (E) in sub-subparagraph (G)(III)(2), by repealing "51" and substituting "153";
 - (F) in sub-subparagraph (G)(IV)(1) -
 - (I) by repealing "the words must be at least 26 mm in height and 51 mm" and substituting "each block letter must be at least 26 mm in height and";
 - (II) by repealing "or glove itself" and substituting "itself. For gloves, the stamping must be near the country of origin label and physically placed on the glove itself";
 - (G) in sub-subparagraph (G)(VI), by repealing everything from "the words must" to "below 304 mm x 304 mm" and substituting "each block letter must be at least

26 mm in height and in length";

(H) by adding -

"(I) For mail packages, the declaration "Marked Sample - Not for Resale" must be on both the mail declaration attached to the package and the enclosed invoice.";

(ii) in subparagraph (ii), by adding -

"(F) For mail packages, the declaration "Stamped or Mutilated Sample - Not for Resale" must be on both the mail declaration attached to the package and the enclosed invoice.".

Director-General of Trade
and Industry

2001

Explanatory Note

This Order amends the Fourth Schedule to the Import and Export (General) Regulations (Cap. 60 sub. leg.) to reflect the latest conditions under which textiles samples of Hong Kong origin may be exported to the United States of America by a registered textiles trader without an export licence. These conditions relate to the value limit and the stamping requirements of the textiles samples.

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Section of Enactment



Chapter: 60A Title: IMPORT AND EXPORT Gazette Number: 23 of 1998 s. 2
(GENERAL) REGULATIONS

Schedule: 4 Heading: Version Date: 01/07/1997

Remarks:

Amendments retroactively made - see 23 of 1998 s. 2

[regulations 5A & 7]

Textiles traders carrying on business of-

- (a) importing textiles from any country or place;
- (b) exporting textiles that are not entitled to a certificate of Hong Kong origin to any country or place;
- (c) handling transshipment cargo of textiles from any country or place and to any country or place; or
- (d) exporting textiles that are entitled to a certificate of Hong Kong origin to a country or place with which Hong Kong does not have a bilateral textiles agreement to control exports of textiles from Hong Kong to the country or place;
- (e) exporting textiles to the United States of America provided that the conditions in either subparagraph (i) or (ii) are satisfied-
 - (i) Samples not exceeding US\$250 in free-on-board value-
 - (A) The textiles are bona fide samples not for resale.
 - (B) The textiles are of Hong Kong origin under the certification of origin or export licensing system administered by the Director.
 - (C) Each consignment of textiles must not exceed US\$250 in free-on-board value. The free-on-board value is determined on the basis of all expenses incurred in the manufacture and delivery of the textiles up to the time the textiles are deposited on board the vessel, aircraft or vehicle of export, including the cost of all materials, manufacturing costs, export packing charges, local transport charges, loading charges, documentation fees (including consular fees), commissions payable to local or non-local agencies, and local insurance charges. This calculation will be applied notwithstanding subsequent reimbursement of any of the expenses by the purchaser outside Hong Kong. The seller's profits, if any, must also be included in the calculation of the free-on-board value. (23 of 1998 s. 2)
 - (D) Each consignment must be covered by separate export notification, and packed and invoiced separately.
 - (E) The invoice for such samples must contain the declaration "Marked Sample-Not for Resale".
 - (F) Each consignment must not be exported in or on the same vessel, aircraft or vehicle together with any other marked commercial sample or samples exported by the same textiles trader to the same consignee.
 - (G) The textiles must be stamped or labelled in accordance with the following requirements-
 - (I) For wearing apparel-
 - (1) The inside of the apparel must be indelibly stamped with the word "SAMPLE" in block letters. The size of the word must be at least 26 mm in height and 51 mm in length. The stamping must be in contrasting colour to the apparel and near the country of origin label and must be physically placed on the apparel itself.
 - (2) For apparel which is transparent or incapable of being stamped (including briefs, bikinis, hosiery, sheer or very thin garments) and for which the stamping of the word "SAMPLE" may render the apparel unsuitable for

use as a trade sample, fabric labels not smaller than 64 mm x 13 mm containing the words "Sample-Not for Resale" must be conspicuously and permanently affixed to the apparel in close proximity to the country of origin label.

(II) For fabrics-

(1) The fabric must not exceed 1829 mm in length.

(2) The fabric must be indelibly stamped with the word "SAMPLE" in block letters at a diagonal angle across the back of the fabric at intervals of 457 mm for the entire length of the fabric. The size of the word must be at least 26 mm in height and 127 mm in length and in contrasting colour to the fabric.

(III) For fabric swatches-

(1) The size of the fabric swatch must be under 304 mm x 304 mm.

(2) The fabric swatch must be indelibly stamped with the word "SAMPLE" in block letters at a diagonal angle across the back of the fabric swatch. The size of the word must be at least 26 mm in height and 51 mm in length and in contrasting colour to the fabric swatch.

(IV) For hats and gloves-

(1) The inside of the hat or glove must be indelibly stamped with the words "SAMPLE-NOT FOR RESALE" in block letters. The size of the words must be at least 26 mm in height and 51 mm in length. The stamping must be in contrasting colour to the hat or glove and placed on the underside of the bill of the hat, or other conspicuous location and physically placed on the hat or gloves itself.

(2) Hats or gloves which are incapable of being stamped must be labelled in accordance with the labelling requirements set out in subparagraph (i)(G)(I)(2).

(V) For footwear-

(1) A hole of 6.5 mm in diameter must be punched or cut into the sole of the footwear; or

(2) A label not smaller than 64 mm x 13 mm containing the words "Sample-Not for Resale" must be sewn or permanently affixed to the outside of the footwear, or to the inside which is readily visible when the footwear is viewed.

(VI) For luggage, handbags, furnishings and other miscellaneous textile articles-

A stamp in indelible ink must be placed on the inside of the article near the top and easily readable with the words "SAMPLE-NOT FOR RESALE" in block letters. The size of the words must be at least 26 mm in height and 127 mm in length for those articles with surface area of the prominent side at or exceeding 304 mm x 304 mm, and must be at least 26 mm in height and 51 mm in length for those articles with surface area of the prominent side below 304 mm x 304 mm. The stamping must be physically placed on the article itself and in contrasting colour to the article.

(H) For the purpose of meeting the indelible stamping requirement referred to in subparagraph (i)(G), an indelible stamping is that which must be incapable of being erased or obliterated. Markings in chalk or white-out are not acceptable.

(ii) Mutilated or stamped samples-

(A) The textiles are bona fide samples not for resale.

(B) The textiles are of Hong Kong origin under the certification of origin or export licensing system administered by the Director.

(C) The textiles must be mutilated or stamped in accordance with the following requirements-

(I) For wearing apparel-

(1) A section must be cut or torn from the main body of the apparel. This cut must be on the outside of the apparel and must be visible and not be on a seam or border. The size of the cut or tear must be at least 51 mm in length; or

(2) A hole or section must be punched or cut into the apparel on the outside in a prominent area of at least 26 mm in diameter and in a location where it cannot be covered by a patch or an emblem; or

(3) The apparel must be stamped with the word "SAMPLE" in block letters in indelible ink or paint. The size of the word must be at least 26 mm in height and 51 mm in length. The word must be placed in a prominent area on the outside of the apparel which will be visible when worn and in contrasting colour to the apparel.

(II) For fabrics-

(1) The fabric must not exceed 1829 mm in length.

(2) The fabric must be stamped in indelible ink or paint, or perforated with the word "SAMPLE" in block letters at intervals of 457 mm for the entire length of the fabric. The size of the word must be at least 26 mm in height and 127 mm in length and be placed at a perpendicular angle across the fabric. The word must be on the face or

the front of the fabric and in contrasting colour to the fabric.

(III) For fabric swatches-

(1) The size of the fabric swatch must be under 304 mm x 304 mm.

(2) A hole or section of 26 mm in diameter must be cut in the main body of the fabric swatch or the fabric swatch must be stamped with the word "SAMPLE" in block letters in indelible ink or paint on the face or front. The size of the word must be at least 26 mm in height and 51 mm in length and in contrasting colour to the fabric swatch.

(3) Fabric swatches smaller than 203 mm x 203 mm may be exported as mutilated samples without being cut or stamped, provided that cannot be for any purpose other than for soliciting orders.

(IV) For footwear-

A hole of 6.5 mm in diameter must be punched or cut into the sole of the footwear.

(V) For luggage, handbags, furnishings and other miscellaneous textile articles-

The stamping or mutilation may take the form of-

(1) a hole of at least 26 mm in diameter or a cut of at least 51 mm in length; or

(2) an indelible ink stamping of the word "SAMPLE" in block letters and in contrasting colour to the article. The size of the word must be at least 26 mm in height and 127 mm in length for those articles with surface area of the prominent side at or exceeding 304 mm x 304 mm, and must be at least 26 mm in height and 51 mm in length for those articles with surface area of the prominent side below 304 mm x 304 mm. The hole, cut or stamp must be on the outer surface of the article and in location which is visible when the article is in use.

(D) For the purpose of meeting the indelible stamping requirement referred to in subparagraph (i)(C), an indelible stamping is that which must be incapable of being erased or obliterated. Markings in chalk or white-out are not acceptable.

(E) The invoice for such samples must contain the declaration "Stamped or Mutilated Sample-Not for Resale". (L.N. 422 of 1996)

(L.N. 111 of 1993)
