

**Bills Committee on
Import and Export (Electronic Transactions) Bill 2001**

**Follow-up actions arising from
the meeting on 9 May 2002**

Below is the Administration's response to the list of follow-up actions arising from the meeting of the Bills Committee on 9 May 2002.

Latest progress of discussions on EMAN fees

2. Tradelink is making good progress in its dialogue with carriers on the fee to be charged. We would report the outcome of the discussions once it is available.

Back-up procedures

3. The back-up procedures for system failure of Tradelink and similar requirements in the tender document for future service providers are at Annex A.

Direct submission of manifests to the Government

4. A Member suggested reconsidering the suggestion for the industry to develop their own solution to meet the Government's specifications and requirements for manifest submission if no additional service providers were available. As pointed out in our last reply, the suggestion is technically feasible but will require a revamping of the existing Government back-end systems, incurring substantial additional capital cost. In addition, the Government will have to augment its staff establishment considerably for customer interface and service support, which is at present provided by Tradelink. Out-sourcing the front-end EDI service to private sector would contain the size of the civil service, be more cost-effective generally, and create business opportunities for the private sector.

5. Given the enthusiastic response to our invitation to submit expression of interest last summer, we expect positive response to our invitation to submit proposals for provision of electronic services to process certain trade-related documents in 2004.

Co-operation with the Pearl River Delta region

6. The Customs and Excise Department has liaised with the Guangdong Customs Sub-Administration and was given to understand that the Guangzhou Customs is conducting trial runs on a new scheme under which carriers concerned are required to submit manifests electronically well in advance.

7. As a follow up, we have arranged a meeting on 23 May 2002 with Tradelink and Nan Fang (the provider of electronic service for manifest submission under the new scheme of the Guangzhou Customs). Representatives from the Guangdong and Hong Kong Feeder Association Limited (“the Association”), who submitted a letter to this Subcommittee on 14 May 2002 on the same subject, were also invited to attend the meeting. The meeting aims at addressing the concern of the Association.

New section 15(1B)(c) of Cap. 60

8. In her letter of 21 March 2002, the Assistant Legal Adviser asked whether a carrier submitting a manifest to a member of the Customs and Excise Service using services provided by a specified body under the new section 15(1B)(c) when his aircraft, vessel or vehicle is entering or leaving Hong Kong would still be required to lodge a manifest under Regulations 11 and 12 of the Import and Export (Registration) Regulations (Cap. 60E).

9. Our principle is that there should be no unnecessary duplication in the submission of manifest if it is a full and complete one. If a full and complete manifest is submitted on entering or leaving Hong Kong under section 15 using services provided by a specified body, there is no point in asking for a second submission of an identical manifest some time later under Regulation 11 or 12. However, as agreed by Members, if the manifest submitted under section 15 is less than full and complete, a complete re-submission is required under Regulation 11 or 12.

10. By means of the services provided by a specified body, it is possible for a message to reach multiple recipients with the one sending. Our policy can be readily implemented by technically providing an option under which carriers can, with one and the same act, both furnish a manifest under

section 15 of Cap. 60 and lodge it under Regulation 11 or 12 of Cap. 60E on entering or leaving Hong Kong. Carriers will be fully informed of this option through the user guidebook. There will not be any unnecessary duplication in the submission of manifest as far as the sender is concerned.

11. We now propose the addition of a new section 15(1C) (Annex B) to reflect the current practice that the manifest submitted under section 15 is often less than full and complete, for example, the licence and permit number may not be available. The Customs and Excise Department will accept such manifest as long as the particulars contained are considered sufficient for the purpose of cargo clearance.

Commerce and Industry Bureau
May 2002

Back-up procedures

The EMAN system is designed to achieve high system availability with back-up at system component level. The Government and Tradelink have also designed contingency measures to keep EMAN service available to carriers when any of the system components supporting the EMAN service fail.

2. Tradelink's back-up procedures for system failure are summarized as follows –

- (a) at the production site in Ngau Tau Kok, redundant equipment has been installed as redundant system to serve as back-up to the primary production system in case of system failure;
- (b) in case both the primary production and the redundant systems fail, the disaster recovery (DR) system will be activated. A DR site has been set up in Kowloon Bay. System at the DR site is at comparable level of power and capacity as that of the production site. The database at the DR site is running in a 'hotsync' mode with that at the production site via high-speed telecom connection. This allows updates to the production database be instantaneously reflected on the DR database such that current cargo manifest data will be immediately available if the production site is down and the DR site has to be commissioned;
- (c) the switch-over from the production site to the DR site will be within 4 hours after a disaster is declared; and
- (d) the detailed DR plan has already been documented in the EMAN Disaster Recovery Procedures agreed between Tradelink and the Government. In general, the plan will be reviewed on a yearly basis.

3. Similar back-up requirements have been included in the tender document for future service providers.

IMPORT AND EXPORT (ELECTRONIC TRANSACTIONS) BILL 2001

Proposed committee stage amendments

(“As if amended” version)

New s.15(1C) of Cap. 60

(Bill: section 7(2) of Schedule 1)

(1C) In this section, "manifest" means a document prepared as a manifest and containing such of the particulars specified under section 17 as the member of the Customs and Excise Service considers sufficient for his purposes.