

**Response to the suggestions that
the Administration should consider reviewing the existing
definition of “Hong Kong manufacturer” and
adopt measures to ensure that the number of workers employed
and their wages were in proportion to the output**

The Factory Registration system administered by the Trade and Industry Department is applicable to any manufacturer who wishes to apply for Certificates of Hong Kong Origin (including Certificates of Hong Kong Origin (CEPA)), Production Notifications, restrained textiles export licences, or to participate in the Local Subcontracting Arrangement or Outward Processing Arrangement. Other than this, the Administration does not operate any regulatory scheme that provides a definition of “Hong Kong manufacturer”.

2. To apply for Factory Registration, a factory is required to possess a valid Business Registration, fixed and self-contained premises (which may be self-owned or rented), machinery and labour force, and maintain adequate books and records on the factory’s operations. Factory inspection are conducted by officers of the Customs and Excise Department to ensure that the information is provided in accordance with the conditions of registration.

3. The Factory Registration is valid for one year and annual renewal is required. Any change in registration particular must be notified to the Trade and Industry Department immediately for amendment. Officers of the Customs and Excise Department conduct inspections of registered factories from time to time to verify their books and records, including production and wage records, to ensure that the factory’s operations tally with the factory registration particulars provided.