

香港特別行政區政府  
工商及科技局  
工商科

香港金鐘道八十八號  
太古廣場第一期二十九樓



CB(1)402/04-05(01)

COMMERCE AND INDUSTRY BRANCH  
COMMERCE, INDUSTRY AND  
TECHNOLOGY BUREAU  
GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION

LEVEL 29, ONE PACIFIC PLACE  
88 QUEENSWAY  
HONG KONG

Tel No. : 2918 7575  
Fax No.: 2537 7725

Your Ref: CB1/BC/4/04  
Our Ref: S/F to CIB CR 62/47/1/5

2 December 2004

Miss Polly YEUNG  
Clerk to Bills Committee  
Legislative Council  
Legislative Council Building  
8 Jackson Road, Central  
Hong Kong

By Fax: 2877 5029

Dear Miss Yeung,

**Bills Committee on Trade Descriptions (Amendment) Bill 2004**

I refer to the discussions at the first meeting of the captioned Bills Committee held on 1 December 2004.

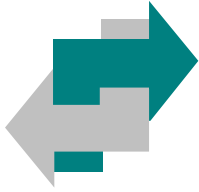
2. The legal framework for the textiles control system is embodied in the Import and Export Ordinance (Cap 60) and its subsidiary legislation. Thus, as explained during the first Bills Committee meeting, the timing for enacting the Trade Descriptions (Amendment) Bill 2004 would not affect the implementation of the post-2004 textiles control system to cater for the elimination of quota on textiles products from 1 January 2005 onwards. In this connection, we would also like to inform Members that the Trade and Industry Department has published relevant trade circulars (copy attached) setting out the detailed arrangements for textiles import and export licensing, Production Notification and Certificate of Origin requirements for 2005.

Yours sincerely,

(Gordon Leung)

for Secretary for Commerce, Industry and Technology

Encl.



香港特別行政區政府 工業貿易署  
Trade and Industry Department  
The Government of the Hong Kong Special Administrative Region

Trade and Industry Department Tower, 700 Nathan Road, Kowloon, Hong Kong.

24-hour hotline : 23 922 922

e-mail address : [enquiry@tid.gov.hk](mailto:enquiry@tid.gov.hk)

Ref. : CR EIC 110/10/2/16

30 November 2004

Dear Sirs,

**Notice to Exporters**

Series 1 (USA)                      No. 43/2004  
Series 2 (EU)                        No. 33/2004  
Series 3 (Countries other than USA & EU)      No. 30/2004

---

**Certificate of Origin Circular No. 14/2004**

**Import Licensing (Textiles) Circular No. 2/2004**

**Textiles Trader Registration Circular No. 10/2004**

**Textiles Control Arrangements for 2005**

**Table of Contents**

|   | Paragraph Number |
|---|------------------|
| (I) Introduction  | 1                |
| (II) Licensing Arrangement for Textiles Import and Export         |                  |
| - Import and Export Licensing Requirement                         | 2                |
| - Change in Scope of Textiles Trader Registration Scheme          | 3 – 4            |
| - Licensing Arrangement for Sensitive Markets                     | 5 – 10           |
| - Licensing Arrangement for Non-sensitive Markets                 | 11 – 13          |
| - Licensing Arrangement for Textiles Transshipment                | 14               |
| - Licensing Arrangement for Sample Shipments                      | 15               |
| - Exemptions from Licensing Requirement                           | 16 – 17          |
| - Amendment and Cancellation of Licence/Textiles Notification     | 18 – 20          |
| - Timetable for Accepting Licence Applications for 2005 Shipments | 21 – 22          |

|   | Paragraph Number |
|---|------------------|
| (III) Production Notification Arrangement   |                  |
| - Background  | 23               |
| - Change in Scope of PN   | 24               |
| - Validated PN to Support Subsequent CO Application   | 25               |
| - PN Arrangement During End 2004  | 26               |
| - PN Exemptions   | 27 – 28          |
| - Authenticity of Manufacturer's Identity on PN   | 29               |
| - Important Information and Conditions of PN  | 30               |
| (IV) Certificate of Origin Requirement  |                  |
| - Cross Year CO Applications Involving Production Notifications   | 32               |
| - Revised Origin Rule for Piece-knitted Garments Effective<br>1 January 2005  | 33 – 35          |
| - Factory Registration Requirement  | 36               |
| - Local Subcontracting Arrangement  | 37               |
| - Outward Processing Arrangement  | 38               |
| (V) Transitional Arrangement for Re-importation of Piece-knitted<br>Garments under Special Export and Import Licensing (Textiles)<br>Scheme | 39 – 42          |
| (VI) Fees and Charges   | 43               |
| (VII) Compliance with Consignment Check, Production Check and Factory<br>Audit Check Requirements   | 44 – 45          |
| (VIII) Important Notes  | 46               |
| (IX) Warning  | 47 – 50          |
| (X) Enquiries   | 51               |

### **Appendices**

- A. Textiles Trader Registration Scheme : Procedures for Registration & Conditions of Exemption
- B. Specimen of Comprehensive Import Licence (Textiles)
- C. Specimen of Comprehensive Export Licence (Textiles)
- D. Application Procedures and Conditions of Comprehensive Licence
- E. Cut-and-Sewn Garments Exempted from the Production Notification Arrangement
- F. Conditions of Production Notification
- G. Fees and Charges for Quota-related Textiles Applications and Services
- H. Fees and Charges for Textiles-related Services for 2005

## **(I) INTRODUCTION**

Further to the Notice to Exporters: Series 1 (USA) No. 35/2004, Series 2 (EU) No. 26/2004, Series 3 (Countries other than USA and EU) No. 24/2004 cum Certificate of Origin Circular No. 11/2004 all dated 15 October 2004 entitled "Textiles Control Arrangements from 2005 Onwards" which provided an outline of the textiles control system starting from 1 January 2005, this notice sets out the detailed arrangements for textiles import and export licensing, Production Notification (PN) and Certificate of Origin (CO) requirements for 2005.

## **(II) LICENSING ARRANGEMENT FOR TEXTILES IMPORT AND EXPORT**

### **Import and Export Licensing Requirement**

2. Under the Import and Export Ordinance and its subsidiary legislation, all import and export of textiles products (including textiles exports of non-Hong Kong origin), unless exempted, must be covered by valid import licences and export licences respectively issued by the Director-General of Trade and Industry. Exemptions are principally provided for under the Textiles Trader Registration Scheme (TTRS), in which case textiles traders so registered may cover their textiles import and export with notifications, subject to the details in paragraph 3. Other exemption provisions under the law are set out in paragraphs 16-17 below.

### **Change in Scope of Textiles Trader Registration Scheme**

3. Subject to compliance with a set of conditions and within the validity period of registration, traders registered under the Textiles Trader Registration Scheme (TTRS) are exempted from the licensing requirement of the Import and Export Ordinance in respect of textiles which fall within the scope of the scheme. Starting from 1 January 2005, the scope of TTRS will be modified to cover imports and exports belonging to the following categories:

- (a) imports of textiles from the Mainland;
- (b) exports of textiles to the Mainland;
- (c) exports of textiles to those economies which have invoked safeguard measures against textiles and clothing products of the Mainland, currently the United States of America (USA); and
- (d) transshipment of textiles to and from any country or place.

The Special Export and Import Licensing (Textiles) Scheme for the USA market will be discontinued starting 1 January 2005 (see also paragraphs 39-42). Henceforth, the TTRS will also cover the export of knit-to-shape panels outside Hong Kong for processing and the re-import of finished or semi-finished piece-knitted garments into Hong Kong for eventual exportation to sensitive market abroad (currently the USA). Traders should however note

that the TTRS is not applicable to cover textiles shipments to or from countries which are subject to trade sanctions imposed by the United Nations.

4. Importers, exporters, manufacturers, carriers and freight forwarders, who are carrying on the business of importing or exporting textiles, or handling transshipment cargoes of textiles referred to in paragraph 3 above may apply for registration as a textiles trader under the TTRS. For registration procedures and the conditions of exemption, please refer to Appendix A.

### **Licensing Arrangement for Sensitive Markets**

5. Traders should note that import of textiles from and export of textiles to sensitive markets must be covered by (i) notifications under the TTRS; or (ii) textiles licences on an individual consignment basis. With effect from 1 January 2005, the sensitive markets cover:

- (a) all textiles imports from and exports to the Mainland; and
- (b) exports to those economies which have invoked safeguard measures against textiles and clothing products of the Mainland, currently the USA.

6. Manufacturers and subcontractors producing cut-and-sewn garments for export to those markets referred to in paragraph 5(b) are also required to lodge a Production Notification (PN) with the Department on the day of or within 3 working days before the commencement of the major assembly work in Hong Kong. For details regarding the PN arrangement, please refer to paragraphs 23-30 below.

(i) Notifications under TTRS

7. With effect from 1 January 2005, there will be four types of notifications:

|     | <u>Type</u>                                 | <u>Purpose</u>  |
|-----|---|---|
| (a) | Import Notification (IN)<br>(TRA 552)       | To cover imports of textiles from the Mainland  |
| (b) | Export Notification I (EN I)<br>(TRA 550)   | To cover exports of textiles of Hong Kong origin to the Mainland or to economies which have applied safeguard measures on the Mainland, currently the USA     |
| (c) | Export Notification II (EN II)<br>(TRA 551) | To cover exports of textiles of non-Hong Kong origin to the Mainland or to economies which have applied safeguard measures on the Mainland, currently the USA |

|     | <u>Type</u>                               | <u>Purpose</u>                      |
|-----|---|-------------------------------------|
| (d) | Transshipment Notification (TN) (TRA 553) | To cover transshipments of textiles |

Traders are requested to note that Export Notification III and Export Notification IV which are currently used to cover export of certain textiles samples of Hong Kong origin to the USA will not be in use after 31 December 2004. The specific licensing arrangements for textiles samples will also cease to apply (please see paragraph 15 below).

(ii) Textiles Licences

8. Alternatively, traders may cover their textiles shipments with consignment-specific textiles licences issued by the Director-General of Trade and Industry. There are two types of textiles licences:

|     | <u>Type</u>                                | <u>Purpose</u>   |
|-----|--|--|
| (a) | Import Licence (Textiles) Form 7 (TRA 23)  | To cover imports of textiles from any country or place                                     |
| (b) | Export Licence (Textiles) Form 4 (TIC 353) | To cover exports of textiles (irrespective of the place of origin) to any country or place |

All licence applications have to be made in person to the Textiles Import and Export Licensing Unit on 1/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon until further notice. The Licensing Unit will be relocated to 2/F of the Tower at a later date in January 2005. Under normal circumstances, import licences and export licences, if approved, are ready for collection two clear working days after the date on which the applications are received.

9. To substantiate a proof of Hong Kong origin for textiles exports, it will be in traders' interest to take out a Certificate of Hong Kong Origin (CO) if the goods concerned are indeed products of Hong Kong. Although overseas may not generally require a CO to accompany every import consignment, it is advisable that traders can readily produce a CO to the importing end authorities (if so required) to evidence the origin of the goods. In this connection, traders are reminded to provide in the EN I or export licence application the corresponding Certificate of Hong Kong Origin number (if available).

Information to be Declared on Textiles Notification and Licence Application

10. In completing textiles notifications or making licence applications, traders are requested to note the following:

- (a) importers, exporters, manufacturers and subcontractors are required to enter their Business Registration (BR) number. Companies/registered businesses which fail to comply with this requirement and/or furnish incorrect information in relation to the BR number shall be deemed to have made a false declaration on the textiles notification or licence application and are liable to legal and/or administrative actions by the Department;
- (b) manufacturers and subcontractors should also provide their Factory Registration (FR) number in the "FR No." field for EN I and export licence applications if they have already registered for FR. Companies/registered businesses which fail to comply with this requirement and/or furnish incorrect information in relation to the FR number shall be deemed to have made a false declaration on the EN I and export licence application and are liable to legal and/or administrative actions by the Department;
- (c) in respect of textiles notification, a person acting and signing for and on behalf of an importer, an exporter, a manufacturer or a subcontractor should be the authorized signatory under the TTRS. In respect of textiles licence applications, a person acting and signing for and on behalf of an importer, an exporter, a manufacturer or a subcontractor should be the proprietor, a partner or a director as the case may be or other duly authorized representative of the company/registered business concerned. For a manufacturer or subcontractor registered under the FR, the person acting and signing for and on behalf of the manufacturer or subcontractor should be an authorized signatory under FR. Please note that any textiles notification or licence application that fails to comply with the above requirements and/or bears a signature or a company chop different from that kept in the Department's TTRS or FR records may result in rejection or deferment as appropriate; and
- (d) licence applications and textiles notifications covering shipments to sensitive markets abroad (other than the Mainland) must be completed in English. All other notifications and licence forms may be completed either entirely in English or entirely in Chinese.

An updated version of the guidance notes on how to complete different types of textiles notifications and licences for shipments in 2005 will be issued via the Department's web portal at <http://www.tid.gov.hk> in December 2004.

### **Licensing Arrangement for Non-sensitive Markets**

#### **Comprehensive Licence - Scope and Applicability**

11. Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) will be introduced as from 1 January 2005 to cover respectively import of textiles from and export of textiles to countries or places other than those set out in paragraph 5(a)-(b) above (i.e. the non-sensitive economies). Alternatively, traders may continue to apply for Export Licence (Textiles) Form 4 (TIC 353) or Import Licence (Textiles) Form 7 (TRA 23) to cover individual shipments as appropriate. Specimens of comprehensive import and

export licences are at Appendices B and C for reference. The salient features of a comprehensive licence are as follows:

- (a) Comprehensive import or export licence can cover multiple shipments imported and exported by the licence holder respectively, regardless of the product type, quantities, importing or exporting countries or places (except sensitive markets, and countries subject to trade sanctions imposed by the United Nations) and country of origin of the goods.
- (b) Application for comprehensive import and export licence need only be made once by an individual or company/registered business and the licence issued will be valid for 12 months.
- (c) When an application is approved, all the comprehensive licences so issued will bear the same validity period of 12 months.
- (d) The licence holder can log on the Department's designated online service for comprehensive licence with the pre-assigned login ID and password through any computer workstations with Internet access to obtain and print out separate comprehensive licence to cover each individual import or export shipment as appropriate. Separate comprehensive import or export licence will bear a unique reference number.
- (e) There is no limit or restriction on the number of comprehensive licences to be obtained and printed out within the validity period.
- (f) No fee will be charged for the application for comprehensive licence and for access to the designated service for comprehensive licence during 2005, subject to the review of the overall textiles import and export arrangements in end 2005.

12. The Department will start receiving applications for comprehensive licence on **30 November 2004** and successful applicants may start printing out licences through the Department's designated online service from **22 December 2004**. Details on the application procedures and conditions of the comprehensive licence are set out in Appendix D.

13. Traders are requested to note that the issue of comprehensive licence is subject to the compliance of the prescribed conditions of licence. If applicants of comprehensive licences fail to observe the licensing conditions, the Director-General of Trade and Industry may refuse the issue of such licence, revoke the current licence, or refuse to issue a fresh comprehensive licence to a particular applicant when the current one has expired.

#### **Licensing Arrangement for Textiles Transshipment**

14. As in the current arrangement, carriers and freight forwarders should use Transshipment Notification (TRA 553) for the purpose of handling transshipment cargoes of textiles, subject to the compliance with the prevailing conditions of use and all other conditions set out in the relevant Textiles Trader Registration Circulars. Alternatively,



carriers and freight forwarders may make use of individual import and export licences or notifications for import and subsequent re-export of a textiles transshipment. In this respect, the applicable import and export licences/notifications will follow the arrangements set out in paragraphs 5-13 above.

### **Licensing Arrangement for Sample Shipments**

15. With effect from 1 January 2005, sample shipments will be treated the same as any commercial shipments and subject to the same licensing arrangements as detailed in paragraphs 5-13 above. The existing instant licensing service for issuance of export licences covering commercial samples will be discontinued starting 1 January 2005.

### **Exemptions from Licensing Requirement**

16. As in the current arrangement, woven or knitted fabric swatches and sample yarn imported by air and not exceeding 0.8 m<sup>2</sup> in size in respect of fabric swatches and 1.2 kilograms in weight in respect of each type of yarn are exempted from import licensing.

17. Licensing requirement for non-commercial shipments will be further relaxed. The following textiles products will be exempted from licensing requirement if they are in a quantity which is reasonable having regard to the purpose for which they are imported or exported:

- (a) textiles articles that are imported or exported by an individual for his personal use or as a bona fide gift to another individual; and
- (b) textiles articles constituting part of the provisions required for consumption by the crew or passengers of the vessel, aircraft or vehicle on which the article is carried.

### **Amendment and Cancellation of Licence/Textiles Notification**

18. Traders are reminded that requests for amendments to any particulars of a notification after its lodgement should be made within 14 working days after the day on which the textiles are imported or exported. Requests for amendment to particulars on an approved textiles import or export licence should similarly be made before shipment of the goods or within 14 working days after the date on which the goods are imported or exported. If a licence is not used for shipment within its validity period, the licence should be cancelled within 14 working days after the expiry date. It should be emphasized that the approval of requests for cancellation or amendment will be considered on individual merits of each case and is not automatic.

19. Amendment or cancellation requests of licence and notification should be made on the following standard forms as appropriate:

|     | <u>Form No.</u> | <u>Form Title</u>                                 |
|-----|-----------------|---|
| (a) | TID 82          | Textiles export licence: Request for Amendment    |
| (b) | TID 83          | Textiles import licence: Request for Amendment    |
| (c) | TID 84          | Textiles notification : Request for Amendment     |
| (d) | TID 87          | Textiles export licence: Request for Cancellation |
| (e) | TID 88          | Textiles import licence: Request for Cancellation |
| (f) | N/A             | Textiles notification : Request for Cancellation  |

These standard forms are downloadable from the Trade and Industry Department's web portal (<http://www.tid.gov.hk/english/aboutus/form/publicform/download.html>) or are obtainable from the Textiles Import and Export Licensing Unit on 1/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon until further notice. The Licensing Unit will be relocated to 2/F of the Tower at a later date in January 2005.

20. Traders should note that acceptance by the Department of a request for amendment to or cancellation of a licence or notification is without prejudice to any legal and/or administrative action which the Director-General of Trade and Industry may take in respect of the licence or notification concerned if it is discovered that the parties concerned are in breach of any of the provisions of the Import and Export Ordinance or the conditions of the textiles control arrangements. Should it be revealed that a licence or notification is involved in any malpractice, legal and/or administrative action may be taken against the trader concerned irrespective of whether a request for amendment to or cancellation of the licence or notification has been made within the stipulated timeframe and accepted by the Department.

#### **Timetable for Accepting Licence Applications for 2005 Shipments**

21. The Department will accept applications for Export Licence (Textiles) Form 4 covering shipments in 2005 from **22 December 2004**. Any such export licences approved in 2004 will be endorsed to the effect that they will not be valid for shipment until **1 January 2005**. Export licences are normally valid for 28 days and are not transferable. Likewise, the comprehensive import or export licence that are printed out in 2004 will only be valid for shipment starting **1 January 2005**.

22. Please note that EN I should only be valid for shipment to the USA starting **1 January 2005**. Registered textiles traders who intend to lodge EN I in 2004 for textiles shipment to the USA in 2005 must ensure that the textiles consignments are to be shipped out of Hong Kong on or after 1 January 2005. In this connection, the term "shipped" means that

the goods in question are exported from Hong Kong and clear of Hong Kong waters en route to the destination markets. In the event that the Director-General decides that within the context of textiles control arrangements the goods have been shipped before midnight on 31 December 2004, legal and/or administrative actions may be taken against the company/registered business concerned.

### **(III) PRODUCTION NOTIFICATION ARRANGEMENT**

#### **Background**

23. The PN arrangement is implemented to ensure that the origin-conferring process for the manufacture of cut-and-sewn garments for export to certain designated markets has taken place in Hong Kong. Under the current arrangement, manufacturers producing cut-and-sewn garments for export to such markets are required to lodge PN on the day of or within three working days prior to the commencement of the major assembly work in Hong Kong.

#### **Change in Scope of PN**

24. As from 1 January 2005, the scope of the PN arrangement will be modified to cover only cut-and-sewn garments intended for export to places that have applied safeguard actions against textiles and clothing imports from the Mainland, currently the USA. Hence the PN requirement will be maintained for all cut-and-sewn garments destined for the USA after 2004, unless otherwise exempted under paragraph 27 below. The PN requirement in respect of cut-and-sewn garments for export to the EU and Canada will be discontinued after 31 December 2004.

#### **Validated PN to Support Subsequent CO Application**

25. A validated PN is a requisite supporting document for subsequent application for CO covering the export of the garments concerned to the USA. For the purpose of supporting CO applications, all validated PNs, regardless of whether they are validated in or after 2004, will be valid for three months from the date of validation or until cancellation of the PN, whichever is the earlier. Traders may lodge requests for extension of validity for another three months. As from 1 January 2005, applications for CO covering cut-and-sewn garments for export to the EU and Canada will no longer require the support of validated PNs. Details of the post-2004 certification arrangements are set out in paragraphs 31-38 below.

#### **PN Arrangement During End 2004**

26. Before the modified scope of PN takes effect as from 1 January 2005, manufacturers producing cut-and-sewn garments for export to the EU and Canada are still required to lodge PN with the Department if the major assembly work commences before 1 January 2005. The Department will continue to accept and process PNs (including fresh applications, re-submissions, as well as requests for amendment, extension and cancellation) destined for the EU and Canada lodged via Electronic Data Interchange (EDI) until **11:00 p.m. on 31 December 2004**. Traders should note that the Department will not accept any PNs for the EU and Canada markets lodged after 11:00 p.m. on 31 December 2004.

Nor will the Department entertain requests for amendment, extension and cancellation of such PNs validated in 2004.

### **PN Exemptions**

27. In line with the revised licensing exemptions as detailed in paragraph 17 above, exemptions from the PN requirement after 2004 will also be extended to cut-and-sewn garments exported by an individual and are either for his personal use or as a bona fide gift to another individual. The updated list of PN exemptions to be effective from 1 January 2005 is set out at Appendix E for traders' ease of reference.

28. Traders should note that cut-and-sewn garments that are exempted from the PN requirement will be subject to the same origin rule of "assembly of parts into garments" as with other cut-and-sewn garments claiming Hong Kong origin.

### **Authenticity of Manufacturer's Identity on PN**

29. As foreshadowed in Certificate of Origin Circulars No. 16/2003 of 2 June 2003 and No. 9/2004 of 28 July 2004, in order to safeguard the interest of the trade and as a measure to step up the integrity of Hong Kong's origin certification system, the Department has since 2 June 2003 introduced the requirement that any person who lodges a PN for and on behalf of the manufacturer (and the subcontractor) must be an authorised signatory under the Factory Registration (FR). Traders should note that, with effect from **1 January 2005**, any PN which is not lodged by an authorised signatory of the company/registered business concerned as kept in the Department's FR record will be deferred or rejected as appropriate.

### **Important Information and Conditions of PN**

30. Apart from the above changes, the lodgement procedures and conditions of PN after 2004 will remain essentially the same as under the existing arrangement. Salient points are recapitulated below:

- (a) Before lodging a PN, manufacturers (and subcontractors as the case may be) must have first registered for FR. All local subcontracting of principal manufacturing processes should obtain prior approval from the Department under the Local Subcontracting Arrangement (LSA);
- (b) Lodgement of PN after the commencement of major assembly work will normally not be accepted;
- (c) A full set of the prevailing Conditions of PN applicable to all PNs is reproduced at Appendix F for traders' compliance;

- (d) Under the PN arrangement, certain PN component parts, minor accessories and subsidiary processes are allowed to be subcontracted outside Hong Kong without affecting the origin status of the finished garments. The prevailing permissible limit of component parts and subsidiary processes which may be done elsewhere is set out in Appendix I to Certificate of Origin Circular No. 1/02 dated 19 January 2002; and
- (e) The “Guidance Notes on Lodging Production Notification (PN) by using Electronic Data Interchange (EDI)” issued on 2 June 2003 will still be valid until 31 December 2004. An updated version of the Guidance Notes to be effective from 1 January 2005 will be issued via the Department’s web portal at <http://www.tid.gov.hk> in December 2004.

#### **(IV) CERTIFICATE OF ORIGIN REQUIREMENT**

31. To substantiate a proof of Hong Kong origin for textiles exports, it will be in traders’ interest to take out a Certificate of Hong Kong Origin (CO) if the goods concerned are indeed products of Hong Kong. Although overseas may not generally require a CO to accompany every import consignment, it is advisable that traders can readily produce a CO to the importing end authorities (if so required) to evidence the origin of the goods. In applying for a CO, traders are advised to note the changes in CO requirement in respect of the USA, the EU and the Canada markets with effect from 1 January 2005. Salient points of such changes are set out below:

- (a) CO applications covering cut-and-sewn garments to the USA market must be supported by valid PN. The declaration requirement of PN details in the CO applications to the USA market remains the same. The applications will be deferred if the PN details are inadequate;
- (b) In respect of CO applications covering knitted cut-and-sewn garments to the USA market, applicants are required to declare in the field “Principal Process(es) Done by Manufacturer and Outworker in HK” of the Electronic Data Interchange – CO (EDI-CO) system that the processes done in Hong Kong are “sewing/linking/stitching of parts into garment”<sup>1</sup> ;
- (c) CO applications covering cut-and-sewn garments to the EU and the Canada markets will no longer be required to be supported by PN; and
- (d) The Department and other five Government Approved Certification Organizations<sup>2</sup> will cease to apply the current stamp (i.e. I further certify that the goods described above meet the origin rules of the European Union) on the CO certificate covering textiles exports to the EU market.

---

<sup>1</sup> If linking and/or stitching is (are) not the required process(es) in the entire manufacturing process leading to the manufacture of the finished product, it (they) is (are) not required to be declared in the applications.

<sup>2</sup> The five Government Approved Certification Organizations are the Hong Kong General Chamber of Commerce; Federation of Hong Kong Industries; the Chinese Manufacturers’ Association of Hong Kong; the Indian Chamber of Commerce, Hong Kong and the Chinese General Chamber of Commerce.

### **Cross Year CO Applications Involving Production Notifications**

32. CO applications covering cut-and-sewn garments to the USA, the EU and the Canada markets which have been deferred in 2004 but are re-submitted in 2005 are required to be covered by their original PNs issued in 2004 notwithstanding the discontinuation of PN arrangement for exports to the EU and Canada markets in 2005. Besides, traders should ensure that in submitting CO amendments in 2005 to amend the COs issued in 2004, the amendments should also be supported by the original PNs issued in 2004.

### **Revised Origin Rule for Piece-knitted Garments Effective 1 January 2005**

33. The origin rule for piece-knitted garments with effect from 1 January 2005 will be revised as follows:

| <u>Origin Criteria</u>                             | <u>Principal Processes</u>                                     |
|--|--|
| Manufacture from yarn; <u>or</u>                   | Knitting of knit-to-shape panels <sup>3</sup> ; <u>or</u>      |
| Manufacture from knit-to-shape panels <sup>3</sup> | Assembling of knit-to-shape panels into piece-knitted garments |

34. In respect of CO applications covering piece-knitted garments, applicants are required to declare in the field “Principal Process(es) Done by Manufacturer and Outworker in HK” of the EDI-CO system the relevant and applicable principal processes set out above. For details of the revised origin rule, please contact CO Section at 2398 5545 or the Customer Service Centre of the Certification Branch at 2398 5525.

35. Notwithstanding Hong Kong’s adoption of a revised origin rule for piece-knitted garments starting 1 January 2005, traders are reminded to find out from their overseas buyers for any specific requirements they will need to observe before exportation of the goods, including but not limited to the classification and origin labelling requirements, etc.

### **Factory Registration Requirement**

36. Factory Registration (FR) will continue to be a pre-requisite for manufacturers and subcontractors intending to lodge a PN, apply for a CO, or participate in the Outward Processing Arrangement (OPA) and Local Subcontracting Arrangement (LSA). For details of the registration procedures, please contact the Central Registration Office at 2398 5512 or the Customer Service Centre of the Certification Branch at 2398 5525, or refer to the Department’s web portal: [http://www.tid.gov.hk/english/import\\_export/cert/cert\\_aboutco\\_factory.html](http://www.tid.gov.hk/english/import_export/cert/cert_aboutco_factory.html).

---

<sup>3</sup> Knit-to-shape panels are panels knitted to shape ready for assembly without further manufacturing process other than minor trimming and/or cutting of the collar to shape.

### **Local Subcontracting Arrangement**

37. Manufacturers employing local subcontractors to carry out the principal process(es) of manufacture or entire production of goods must obtain prior approval from the Trade and Industry Department by registering under the Local Subcontracting Arrangement (LSA). For details of LSA, please contact the Factory Registration Section of Certification Branch. For piece-knitted garments, panel knitters will be subject to the LSA requirement with effect from 1 January 2005. Details will be announced in separate Certificate of Origin Circular to be issued in December 2004 (see also paragraph 38 below).

### **Outward Processing Arrangement**

38. The Outward Processing Arrangement (OPA) enables manufacturers registered with the Trade and Industry Department to subcontract outside Hong Kong the subsidiary or minor finishing processes without affecting the eligibility of such goods for attaining Hong Kong origin status. A prerequisite for participation in the OPA is that the goods concerned must have undergone the principal manufacturing processes in Hong Kong which are sufficient to qualify them as of Hong Kong origin. In accordance with the revised origin rule for piece-knitted garments as detailed in paragraph 33 above, with effect from 1 January 2005 the outward processing of non-origin conferring operations in knit-to-shape garments will be regulated under OPA in place of the existing controls under the Special Export and Import Licensing (Textiles) Scheme. Additional requirements under the OPA for piece-knitted garments will be announced in separate Certificate of Origin Circular to be issued in December 2004.

### **(V) TRANSITIONAL ARRANGEMENT FOR RE-IMPORTATION OF PIECE-KNITTED GARMENTS UNDER SPECIAL EXPORT AND IMPORT LICENSING (TEXTILES) SCHEME**

39. Starting from 1 January 2005, the Special Export and Import Licensing (Textiles) Scheme which is currently implemented to cover the import into and/or export from Hong Kong of finished and semi-finished piece-knitted garments and knit-to-shape panels, for eventual exportation to the USA in the form of finished or semi-finished piece-knitted garments will be discontinued.

40. The Department will implement a transitional arrangement until 30 April 2005 to allow re-importation of piece-knitted garments manufactured from panels knitted in Hong Kong and exported for outward assembling under Special Export Licence (Textiles) Form 8a during 2004. In this connection, the Department will continue to accept applications for Special Import Licence (Textiles) Form 8b supported by special export licence Form 8a issued within six months until **28 April 2005**. All Form 8b licences so issued will be valid for 28 days or until 30 April 2005, whichever is the earlier, for the purpose of re-importing piece-knitted garments into Hong Kong.

41. Licence applications have to be made in person to Customer Service Centre of Textiles Controls Branch, 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon. No fees will be charged for the application and issue of Form 8b between 1 January 2005 and 30 April 2005. For straightforward cases, the licence will normally be issued one clear working day from the date of application.

42. For piece-knitted garments neither knitted nor assembled in Hong Kong under the existing Special Licensing Scheme, traders should make use of either Import Notification or Import Licence (Form 7) to cover import of such garments into Hong Kong starting 1 January 2005, whether or not the knit-to-shape panels have been respectively imported and exported under Special Export Licence (Textiles) Form 8c and Form 8d during 2004.

#### **(VI) FEES AND CHARGES**

43. With the abolition of quotas, quota-related textiles application and service fees will no longer be applicable after 2004 (please see Appendix G). The fees and charges for other textiles-related services for 2005 are set out at Appendix H. The level of fees and charges is subject to review in end 2005 alongside the review on the overall textiles import and export arrangements.

#### **(VII) COMPLIANCE WITH CONSIGNMENT CHECK, PRODUCTION CHECK AND FACTORY AUDIT CHECK REQUIREMENTS**

44. In order to uphold the integrity of the textiles import and export control system, the Trade and Industry Department, in conjunction with the Customs and Excise Department, will continue to conduct various forms of checks including consignment check, production check and factory audit check to verify the accuracy of material particulars or other relevant information declared on import licences/export licences/comprehensive licences/certificates of origin/production notifications/textiles notifications, so as to verify the production capacity of a factory against its export performance and to ensure that the provisions of the textiles import and export control system are being complied with. Compliance of consignment check, production check and factory audit check requirements is a condition of licence, certificate of origin, production notification, Textiles Trader Registration as well as Factory Registration. For details of consignment check, production check and factory audit check requirements, please refer to Notice to Exporters: Series 1 (USA) No. 66/2003, Series 2 (EU) No. 51/2003, Series 3 (Countries other than USA and EU) No. 56/2003, Certificate of Origin Circular No. 22/2003 cum Certificate of Preference Circular No. 19/2003 all dated 14 November 2003.

45. Failure to comply with any of consignment check, production check or factory audit check requirements or failure to render all necessary assistance and co-operation to officers of the Customs and Excise Department in conducting the checks including the provision of sample(s) of any article for the retention of officers of the Customs and Excise Department for examination and inspection purposes may be liable to legal and/or administrative actions as elaborated in paragraphs 48-50.



**(VIII) IMPORTANT NOTES**

46. Traders are requested to note that goods claiming Hong Kong origin must have undergone principal process(es) of manufacture in Hong Kong. These are process(es) which permanently and substantially change the shape, nature, form or utility of the basic materials used in manufacture, as laid down by the Director-General of Trade and Industry in Certificate of Origin Circulars.

**(IX) WARNING**

47. The Trade and Industry Department works closely with the Customs and Excise Department, through checks and inspections, to ensure compliance with the provisions of the textiles import and export control system. The Department takes a serious view of traders who breach any of the provisions of the textiles import and export control system. A company/registered business which commits an offence under the Import and Export Ordinance is liable upon conviction to a maximum penalty of a fine of HK\$500,000 and two years' imprisonment.

48. Moreover, it is the Department's policy to take administrative actions against importers/exporters/manufacturers/subcontractors and any other parties concerned in cases of malpractice relating to the importation, exportation, re-exportation and/or transshipment of textile products, or infringement of textiles origin rules, independent and irrespective of any prosecution action which may be instituted against them. The Department also reserves the right to take administrative actions where, in its view, there is evidence which shows a company/registered business' involvement in any form of malpractice including falsifying of particulars affecting any licence / certificate of origin / production notification / textiles notification or document in support thereof.

49. Administrative actions may be taken against cases of transshipment fraud or other textiles related malpractice irrespective of, among others, the following circumstances:

- (a) whether the companies/registered businesses concerned are involved in the import, export, re-export and/or transshipment of textiles products or are parties to the licence / certificates of origin / production notifications / textiles notifications;
- (b) whether the shipment has been effected; or
- (c) whether licences, certificates of origin, production notifications and/or textiles notifications have been applied for, lodged, amended, cancelled or withdrawn.

50. These administrative actions may involve, but shall not necessarily be confined to, any or all of the following: suspension and revocation of any exemption and/or registration granted under the Textiles Trader Registration Scheme without refund of the registration fee, and the refusal to renew any exemption and/or registration granted; suspension of all licensing facilities and all certification facilities including those relating to production notification; rejection of a licence/certificate of origin application or refusal to validate production notification; or in the event that a licence/certificate of origin/production

notification has already been issued/validated, cancellation, suspension and/or revocation of a licence/certificate of origin/production notification. In this eventuality, the Department will not accept any responsibility that may arise from the administration actions so taken.

(X) **ENQUIRIES**

51. Should you require further information on this subject, please contact the following units:

| <b><u>Units</u></b>                                     | <b><u>Location</u></b> <sup>4</sup> | <b><u>Telephone No.</u></b> |
|---|-------------------------------------|-----------------------------|
| Customer Service Centre of the Textiles Controls Branch | 2/F                                 | 2398 5288                   |
| Customer Service Centre of the Certification Branch     | 3/F                                 | 2398 5525                   |
| Textiles Trader Registration Scheme Unit                | 12/F                                | 2398 5472                   |
| Textiles Import and Export Licensing Unit               | 1/F                                 | 2398 5464                   |
| Central Registration Office                             | 1/F                                 | 2398 5512                   |

Yours faithfully,



(Anthony HW SUEN)  
for Director-General of Trade and Industry

Electronic services for Production Notification and Certificate of Origin enable traders to make the relevant applications directly through their office computer faster and easier. Electronic service has now been extended to the submission of Cargo Manifests and Textiles Notifications. For details and enquiries, please call Tradelink at **2599 1700**.

For free online access to selected Trade Information Circulars, please visit Trade and Industry Department's web portal at **[www.tid.gov.hk](http://www.tid.gov.hk)**.

For enquiries and complaints about factory audit check, factory inspection, production verification and consignment checks, please contact the Customs and Excise Department at the following telephone numbers:

|   |           |
|---|-----------|
| Factory Audit Check Division.....                   | 2398 5218 |
| Consignment and Factory Inspection Division 1 ..... | 2398 5240 |
| Consignment and Factory Inspection Division 2 ..... | 2417 6011 |
| Complaint Hotline .....                             | 8100 3553 |

Note : The Chinese text of this Notice is for reference only. In case of discrepancies between the English and Chinese texts, the English text shall for all purposes be conclusive.

<sup>4</sup> The Textiles Trader Registration Scheme Unit, Textiles Import and Export Licensing Unit and Central Registration Office will be relocated to 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon some time in January 2005.

**Textiles Trader Registration Scheme (TTRS)**

The procedures and conditions below are those currently in use as set out in Textiles Trader Registration Circulars Nos. 6/98 dated 21 August 1998, 12/2003 dated 12 May 2003, and 16/2003 dated 28 May 2003, except those relating to comprehensive licence in paragraphs 20(b) and 21(c), and footnote 4.

**(I) Procedures for Registration**

1. Traders interested in the TTRS can complete an *Application Form for Textiles Trader Registration*, which is available from the Central Registration Office (CRO)<sup>1</sup> at Room 106, 1/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon. Traders should return the completed application forms together with the green copy of the machine-printed pay-in slip, and other supporting documents specified in the application forms to the CRO either by hand or by registered mail. On approval, a *Certificate of Registration as a Textiles Trader*, valid for one year, will be issued and sent to the applicant by registered mail.
2. Traders registered under the TTRS and Factory Registration (FR) can choose to align the expiry dates of both registrations so that they will be able to renew their registrations by one single application in the following year. For application of combined registration under TTRS and FR, traders are required to return in person to the CRO a duly completed Application for Combined Registration along with the green copy of the machine-printed pay-in slip and other necessary documents including an updated copy of Business Registration Certificate. Besides, traders may still need to produce those other documents that are specific to a particular type of registration with the Department.
3. About two months before the expiry of their registration, the Trade and Industry Department will send to registered traders a letter advising them of the upcoming expiry and the procedure for the renewal of their registrations. Enclosed to the letter will be an *Application for Renewal of Registration as a Textiles Trader* and a payment slip. If they wish to renew their registration, they should complete and return the application, either by hand or registered mail, together with the green copy of the machine-printed pay-in slip and other necessary documents specified in the Application to the CRO. On approval, their registration will be renewed for 12 months. If traders do not receive the letter one month before the expiry of their registration, they should contact the CRO. It is in traders' own interest to make sure that their application for renewal is made well

---

<sup>1</sup> Central Registration Office (CRO) will be relocated to 2/F., Trade and Industry Department, 700 Nathan Road, Mongkok, Kowloon some time in January 2005.

before the expiry of their registration.

4. Payment of the registration fee does not guarantee approval of registration by the Director-General of Trade and Industry. If the application is unsuccessful, the prepaid fee will be refunded to the applicant.

**(II) Conditions of Exemption**

**Conditions Applicable to All TTRS-Registrants**

**(a) Registration and Certificate of Registration**

1. A breach of any of the conditions of exemption by a registered textiles trader renders the registration and exemption granted to him liable to be revoked or suspended by the Director-General of Trade and Industry without refund of the registration fee, irrespective of whether legal and/or other administrative actions are taken against him.
2. The information provided and the declarations made by a trader on the application for registration and application for renewal of registration must be true and correct. Registration obtained on the basis of false material particulars in an application is void. Notifications issued by the purported “registrant” are likewise void, since no exemption should ever have been granted in the absence of valid registration.
3. A registered textiles trader is required to immediately inform the Director-General of Trade and Industry in writing of any change of particulars in the Application Form for Textiles Trader Registration and Application for Renewal of Registration as a Textiles Trader.
4. A registered textiles trader (be he an importer, exporter, manufacturer, carrier or freight forwarder) is allowed to hold only one Certificate of Registration as a Textiles Trader, irrespective of the nature of his business. He must ensure that no alteration is made to it unless such alteration is authorized by the Director-General of Trade and Industry. In the event of cancellation, revocation or suspension of the registration, the registered textiles trader concerned must immediately surrender his Certificate of Registration as a Textiles Trader to the Trade and Industry Department.

(b) Textiles Notifications

Paper Notifications

5. When a registered textiles trader relies on the exemption granted to him under the TTRS to import or export textiles, he must complete an appropriate notification form<sup>2</sup> purchased from the Trade and Industry Department and deliver it to the carrier for onward delivery to the Trade and Industry Department.
6. Notification forms, purchased from the Trade and Industry Department by a registered textiles trader, must be kept in safe custody and must not be transferred for use by others, irrespective of whether they are registered under the TTRS.
7. Any person who signs a notification on behalf of a registered textiles trader must be duly authorized by him for that purpose. Since paper notifications are printed on No-Carbon-Required (NCR) paper, a signatory should sign only on the *Trade and Industry Department's Copy* of a notification.

Electronic Notifications

8. The electronic service for submission of textiles notifications has been introduced since 30 May 2003 for traders to enjoy the many proven benefits, among which include enabling a shorter turnaround time, greater efficiency with less data re-entry and transcription, lower cost and less paper consumption.
9. The electronic service covers all submissions of all types of textiles notifications, including fresh submission, re-submission, request for amendment and request for cancellation of the notifications.
10. A registered textiles trader will deliver his textiles notifications through Tradelink Electronic Commerce Ltd. (Tradelink) to the Director-General of Trade and Industry before import or export of the textiles. On receiving the textiles notifications, subject to successful computer validation at Tradelink, the Director-General of Trade and Industry will assign a unique UTR to the textiles notifications and the registered textiles trader can then inform his carrier of the details of the textiles notifications. If computer validation is successful, the electronic service can enable almost instantaneous transmission of the

---

<sup>2</sup> Starting from 1 January 2005, there will be four types of notification forms: Import Notification (Textiles) (IN), Export Notification I (Textiles) (EN I), Export Notification II (Textiles) (EN II) and Transshipment Notification (Textiles) (TN).

textiles notification from the registered textiles trader to the Director-General of Trade and Industry and the carrier.

11. There is essentially no difference in the information required to be provided by the registered textiles trader in a paper notification or one delivered via the electronic service. For details of the electronic system, please refer to the Textiles Trader Registration Circular No. 12/2003 dated 12 May 2003 on Introduction of Electronic Service for Textiles Notifications.
12. It is to the advantage of registered textiles traders to make use of the electronic service early. In this connection, registered textiles traders who have not yet returned the authorisation form to enable the transfer of necessary information of their registration under the TTRS to Tradelink for validation purpose are urged to complete and return the forms to us early. The sole proprietor, one of the partners or a responsible person authorised in writing by the sole-proprietor or the partners may sign the authorisation form. The authorisation forms can be downloaded from the Department's web portal: <http://www.tid.gov.hk/english/aboutus/form/publicform/ttrs/index.html>
13. The electronic service is undergoing a transitional period during which registered textiles traders who are not yet ready to deliver their textiles notifications by the electronic service may continue to deliver them in paper form. The end date of the transitional period will be determined having regard to the take-up rate of users of the electronic service and the smooth operation of the computer systems supporting the electronic service. Traders will be informed of the exact timing of full migration to the electronic service in advance for due preparation.

*Conditions Common to Both Paper and Electronic Notifications*

14. Information provided and declarations made in a notification must be true and correct and in accordance with all relevant specifications made by the Director-General of Trade and Industry.
15. All or any of the information provided in an application for registration, an application for renewal of registration or a notification may be disclosed by the Trade and Industry Department to third parties either in Hong Kong or elsewhere provided that such disclosure facilitates the consideration or processing of the application or notification; is in the interest of Hong Kong's trade; is authorized by law; or if explicit consent to such disclosure has been given by the applicant or registered textiles trader.

(c) Use of Export Notification I (EN I)

16. Textiles exported under the cover of an EN I must be of Hong Kong origin in accordance with specifications laid down by the Director-General of Trade and Industry in Certificate of Origin circulars.
17. An EN I must contain the particulars and declaration of the manufacturer of the goods in respect of which the notification is lodged. The manufacturer, who must be a registered textiles trader under the TTRS, must keep accurate and up-to-date books and records<sup>3</sup> relating to the manufacture of the goods covered by the EN I, together with a photocopy of the notification duly signed by him. Any books and records and photocopies of notifications required to be kept under this paragraph must be kept by the manufacturer at his registered premises for a two-year period from the date of exportation of the goods, and must be produced for inspection upon request by officers of the Customs and Excise Department or the Trade and Industry Department, irrespective of whether his registration under the TTRS has been cancelled, revoked, suspended or has expired. The Director-General of Trade and Industry reserves the right to specify the format of the documentation required to be kept.

(d) Use of Export Notification II (EN II)

18. Textiles covered by an EN II must be textiles which are not of Hong Kong origin, having regard to specifications laid down by the Director-General of Trade and Industry in Certificate of Origin circulars.
19. While importers and exporters registered under the TTRS can, as appropriate, cover their imports and exports with Import Notifications (IN) and EN, they are not allowed to make use of Transshipment Notifications (TN), which can be used only by carriers and freight forwarders registered under the TTRS for, among others, handling transshipment cargo.

---

<sup>3</sup> Books and records required to be kept by a manufacturer registered under the TTRS on the manufacture of any goods covered by an EN I must contain particulars of :

- wages paid to his employees and an acknowledgement by each employee of receipt of his wages;
- purchase of materials used in the manufacture, processing or production of such goods;
- the use of any such materials;
- the daily production of such goods manufactured, processed or produced by him;
- sales of such goods manufactured, processed or produced by him or another person for him and his stock of such goods;
- any work, being work consisting of the manufacture, processing or production of such goods, being carried out for him by another person; and
- cash and bank receipts and payments.

(e) Delivery of Textiles Notifications

Paper Notifications

20. The registered textiles trader must deliver :

- (a) in respect of imports, the Trade and Industry Department's Copy of the IN to the carrier before or at the time of the importation of the goods concerned.
- (b) in respect of exports, the Trade and Industry Department's Copy of the EN I or EN II, as appropriate, to the carrier before the exportation of the goods concerned. Where the textiles to be exported were previously imported into Hong Kong and are not entitled to a Certificate of Hong Kong Origin, the Trade and Industry Department's Copy of the EN II should be accompanied by a photocopy of the IN, Import Licence (Textiles) or Comprehensive Import Licence (Textiles) under which the textiles were previously imported. The name and address of the foreign exporter, name and address of the importer (including importer's declaration), and C.I.F. value of the goods in the photocopy may be blotted out.

These documents will be delivered by the carrier to the Director-General of Trade and Industry in the manner specified in paragraphs 40 and 41 below.

Electronic Notifications

21. With electronic submission and facilitated by computer validation, it is no longer necessary for registered textiles traders and carriers to deliver hardcopy of the textiles notifications and supporting documents to the Director-General of Trade and Industry. Details are as follows :

- (a) traders may deliver the textiles notifications to the carriers via the electronic service;
- (b) carriers will only need to quote the UTR of the textiles notification delivered via the electronic service in their paper or electronic manifest delivered to the Director-General of Trade and Industry; and
- (c) for EN II delivered via the electronic service, it is no longer necessary for registered textiles traders to deliver hardcopy of the Import Licence, Import Notification or Comprehensive Import Licence (Textiles) as supporting document.



(f) Keeping of Documents

22. An importer/exporter registered under the TTRS must keep the Importer's/Exporter's Copy of the notification and other relevant documents including :

- (a) for imports, the order, the bill of lading/air waybill, the packing list, the invoice and records on the disposal (including sales) of the goods imported; and
- (b) for exports, the order, the bill of lading/air waybill, the packing list, the invoice and the shipping order or shipper's instruction,

pertaining to the goods covered by the notification. They should be kept at his registered premises for a two-year period from the date the consignment is imported or exported, irrespective of whether the registration has been cancelled, revoked, suspended, or has expired. Such documents must be produced for inspection upon request by officers of the Customs and Excise Department or the Trade and Industry Department.

(g) Other Conditions

23. In addition to the conditions set out in this circular, a registered textiles trader must also comply with the Conditions of Use at the back of notifications and all other conditions set out in relevant circulars which have been and may be issued by the Director-General of Trade and Industry. The Director-General of Trade and Industry reserves the right to revise and vary any conditions of exemption and Conditions of Use of notifications at any time he considers appropriate.

**Conditions Additionally Applicable to**  
**Carriers and Freight Forwarders Registered under the TTRS**

24. Whilst in Hong Kong, the transshipment cargo must be stored separately and apart from any other merchandise and must at all times be in the physical custody of the carrier/freight forwarder who is a registered textiles trader. No processing or substitution of the transshipment cargo is allowed in Hong Kong. The carrier/freight forwarder in possession or control of the transshipment cargo should produce it for inspection when requested to do so by officers of the Customs and Excise Department.

(a) Use of Transhipment Notifications (TN)

25. TN can be used only by carriers and freight forwarders registered under the TTRS for, among others, the purpose of handling transhipment cargo. To be able to make use of TN, a freight forwarder registered under the TTRS must remain appointed, as an agent for the purpose of handling transhipment cargo, by at least one of the local shipping or airline companies named in his Application for Registration as a Textiles Trader. If the agency agreement between the freight forwarder and any one of the shipping or airline companies is terminated, the freight forwarder must immediately inform the Director-General of Trade and Industry in writing of the termination of that agency agreement. Where all agency agreements (i.e. with all the shipping or airline companies named in his Application) have been terminated, he must immediately so inform the Director-General of Trade and Industry in writing and surrender his Certificate of Registration as a Textiles Trader to the Trade and Industry Department for cancellation.
26. Where a single carrier or freight forwarder is responsible for arranging both the in-bound journey and the out-bound journey of the transhipment cargo and hence completing the full set of a TN, particulars relating to the cargo, other than those stated below, may be omitted from the TN, if they are clearly shown on the through bill of lading/through air waybill attached to the notification :
- (a) particulars of the carrier/freight forwarder (name, address, Business Registration number, telephone number, fax number, Textiles Trader Registration Number and validity period of registration);
  - (b) date of arrival, name of in-bound carrier, name of vessel and voyage/flight/vehicle number;
  - (c) date of departure, name of out-bound carrier, name of vessel and voyage/flight/vehicle number (these particulars can be omitted from the In-Bound copy of the notification if they are not available at the time of importation but must be provided on the Out-Bound copy);
  - (d) country of final destination; and
  - (e) particulars required in the Carrier's/Freight Forwarder's Declaration box (country of first loading, through bill of lading/through air waybill number etc.).

Particulars relating to (a) to (e) above must be provided on the TN.

27. A carrier/freight forwarder who makes use of a through bill of lading/through air waybill to supplement the particulars of the transshipment cargo on the TN in accordance with paragraph 26 above must make the following declaration on the through bill of lading/through air waybill attached to the notification:

This is the through bill of lading/through air waybill referred to in Transshipment Notification (Textiles) Number: \_\_\_\_\_

|   |                          |
|---|--------------------------|
| _____<br>(Signature)                          | _____<br>(Business Chop) |
| _____<br>(Name of Signatory in Block Letters) | _____<br>(Date)          |

28. While the TN is printed on NCR paper, the Trade and Industry Department's Copy (In-Bound) should be signed separately from the Trade and Industry Department's Copy (Out-Bound), i.e. they should each bear an original signature.
29. The TN (In-bound) and the TN (Out-bound) respectively covering the import and subsequent re-export of a textiles transshipment must come from one and the same set of TN, i.e. they should bear the same Notification Number.
30. A TN can be used to cover the import and subsequent re-export of a textiles transshipment covered by a through bill of lading or a through air waybill, provided that the goods are transhipped as a single lot. If, however, the textiles covered by a through bill of lading or a through air waybill enter or leave Hong Kong as separate lots (i.e. split shipments), the import and subsequent re-export of individual lots cannot be covered by TN<sup>4</sup>.
31. During the transitional period before full migration to the electronic service for the submission of textiles notifications, a registered textiles trader may submit TN (In-bound) in either paper or electronic form. In case it is submitted in electronic form, the corresponding TN (Out-bound) may be submitted either in electronic form or in paper form. However, in case it is submitted in paper form, the corresponding TN (Out-bound) must be submitted in paper form. In case a TN (In-bound) is submitted in

---

<sup>4</sup> The import and re-export of each lot can be covered by an IN/import licence/Comprehensive Import Licence (Textiles) and an EN II/export licence/Comprehensive Export Licence (Textiles) respectively. As a further alternative, carriers and freight forwarders may wish to arrange to have separate through bills of lading or through air waybills covering individual lots and cover each lot with a set of TN, i.e. with the TN (In-bound) covering its import and the TN (Out-bound) covering its re-export.

electronic form but the corresponding TN (Out-bound) is submitted in paper form, the registered textiles trader of the out-bound cargo is required to give the reference number of the TN (In-bound) submitted via electronic service by making the following declaration under the "Full Description of Goods" column of the TN (Out-bound) to be submitted in paper for cross-referencing :

"The cargo was imported under Transshipment Notification (Textiles) (In-bound) of reference number \_\_\_\_\_."

32. In the case of TN delivered via the electronic service, since it is no longer necessary for the carriers to deliver a hardcopy of the through bill of lading or through air waybill, a registered textiles trader is required to provide full description of the textiles in the notification.

(b) Delivery of TN

33. The freight forwarder making use of a paper TN must deliver :

(a) in respect of the in-bound journey, the *Trade and Industry Department's Copy (In-Bound)* of the notification and a copy of the relevant through bill of lading/through air waybill issued at the original port of loading indicating Hong Kong as a transshipment port to the carrier on or before importation of the goods concerned.

(b) in respect of the out-bound journey, the *Trade and Industry Department's Copy (Out-Bound)* of the notification and a copy of the relevant through bill of lading/through air waybill issued at the original port of loading indicating Hong Kong as a transshipment port to the carrier before the exportation of the goods concerned.

These documents will be delivered by the carrier to the Director-General of Trade and Industry in the manner specified in paragraphs 40 and 41 below.

34. For TN delivered via the electronic service, it is no longer necessary for the carrier to deliver a copy of the through bill of lading or through air waybill when he delivers the manifest to the Director-General of Trade and Industry.

(c) Keeping of Documents

35. A registered carrier/freight forwarder must, in connection with the transshipment cargo covered by a TN issued by him, keep the Carrier's Copy of the notification, the manifest, the through bill of lading or through air waybill issued at the original port of loading indicating Hong Kong as a transshipment port and the shipping order or shipper's instruction. These documents should be kept at his registered premises for a two-year period from the date the consignment is imported or exported, irrespective of whether the registration has been cancelled, suspended, revoked or has expired. The documents must be produced for inspection upon the request of officers of the Customs and Excise Department or the Trade and Industry Department.

(d) General Duties of Carriers

36. Unless an IN/TN or an Import Licence (Textiles) as the case may be is produced to a carrier at the time of importation of the textiles concerned, the carrier shall retain possession of the textiles (other than those specifically exempted by the law from import licensing requirement) imported into Hong Kong until there is produced to him the IN/TN or Import Licence (Textiles) covering the textiles under importation.

37. A carrier must not accept any textiles for export until there is produced to him an EN/TN or an Export Licence (Textiles) as the case may be, prior to the exportation of the textiles concerned.

38. Upon receipt of an IN/EN from the importer/exporter who is registered under the TTRS, the carrier must clearly state :

(a) the relevant Textiles Trader Registration Number and notification number in the manifest concerned; and

(b) the date of arrival/departure of the textiles, the name of vessel where appropriate, and the relevant voyage/flight/vehicle number in the notification.

39. In respect of a TN, the carrier must similarly provide the information mentioned in paragraph 38 above in the manifest and notification concerned.

40. For importation, exportation and transshipment of textiles, irrespective of the mode of transportation, the carrier is required under the Import and Export (General) Regulations to deliver the notification/licence and the relevant manifest covering the textiles concerned to the Director-General of Trade and Industry within 14 days after the day on which the textiles are imported/exported.
  
41. It has been an operational measure that officers of the Customs and Excise Department at land border control points require the carrier to furnish the notification/licence and the relevant manifest for verification at the time of the textiles concerned entering or leaving Hong Kong. In this connection, for importation, exportation and transshipment of textiles by road, the Trade and Industry Department accepts that delivery by the carrier of the notification/licence and the relevant manifest covering the textiles concerned to officers of the Customs and Excise Department at land border control points at the time of their entering or leaving Hong Kong constitutes the delivery of such documents to the Director-General of Trade and Industry.

# COMPREHENSIVE IMPORT LICENCE (TEXTILES)

## 綜合進口許可證 (紡織品)



Unique Reference Number : **Appendix B**  
參考編號 :

|   |                             |  |
|---|-----------------------------|--|
| Importer (Name and Address)<br>進口商 (名稱及地址)                      | Validity Start Date<br>生效日期 | <b>TRADE AND INDUSTRY DEPARTMENT</b><br>Import and Export Ordinance (Cap.60)<br>Import and Export (General) Regulations<br><b>工業貿易署</b><br>《進出口條例》(第 60 章)<br>《進出口 (一般) 規例》              |
|   | Validity End Date<br>最後有效日期 |  |
| B.R. No.<br>商業登記號碼  | Fax No.<br>傳真號碼             | <b>WARNING: Heavy penalties are provided for false declaration and information, unauthorized alteration and misuse of this licence.</b><br><b>警告: 任何人士如作虛假聲明、提供失實資料、擅自塗改或濫用本證, 將受重罰。</b> |
|   | Tel. No.<br>電話號碼            |  |
| Comprehensive Import Licence (Textiles) No.<br>綜合進口許可證 (紡織品) 編號 |                             |  |

### CONDITIONS OF LICENCE

#### 簽發本證的條件

- The Comprehensive Import Licence (Textiles) may not be used to cover import of textiles from those countries or places provided for in paragraph (a) of the Fourth Schedule of the Import and Export (General) Regulations, but may be used to cover import of textiles from other countries or places. For the purpose of deciding whether a Comprehensive Import Licence (Textiles) may cover import of textiles from a country or place, reference shall be made to the Fourth Schedule as it stands at the time of import of the relevant textiles to Hong Kong.  
綜合進口許可證 (紡織品) 不適用於從《進出口 (一般) 規例》附表 4(a)段內的國家或地方輸入紡織品, 但可用於從其他國家或地方輸入紡織品。至於綜合進口許可證 (紡織品) 是否適用於從某一國家或地方輸入紡織品, 則須參照在有關紡織品輸入香港時, 以當時的附表 4 的規定為準。
- A breach of any of the conditions herein may render the Comprehensive Import Licence (Textiles) liable to be cancelled, revoked or suspended by the Director-General of Trade and Industry in addition to other appropriate legal and/or administrative action to be taken against the importer and other parties concerned.  
如有違反任何簽證條件, 可能會導致綜合進口許可證 (紡織品) 遭工業貿易署署長取消、撤銷或吊銷。此外, 工業貿易署署長亦會對進口商及其他有關人士採取其他適當的法律行動及/或行政制裁。
- The licence particulars on this licence of Unique Reference Number printed above must be true and correct at the time of import of the consignment.  
在付運貨品進口時, 上列參考編號所指本證上的資料必須仍然真確無訛。
- Every licence issued to the importer stated herein is not transferable.  
凡簽發予上列進口商的許可證, 均不得轉讓。
- This licence of Unique Reference Number printed above covers the import of a single consignment only.  
上列參考編號所指的本證只可用於進口一批付運貨品。
- The Director-General of Trade and Industry may require the importer to furnish relevant records or information in respect of individual consignments under the Comprehensive Import Licence (Textiles), including proofs showing whether the goods are of Hong Kong origin, or any other records or information he may specify relating to the manufacture, processing or production and sale of goods.  
工業貿易署署長可按個別以綜合進口許可證 (紡織品) 付運的貨品, 要求進口商提供相關的紀錄或資料, 包括貨品是否屬香港來源的證明, 以及其他由他所指明與製造、加工或生產貨品和售賣貨品有關的紀錄或資料。
- The importer must keep and maintain as appropriate for not less than two years from the date the goods are imported relevant commercial and shipment documents; and where the goods concerned are of Hong Kong origin, relevant manufacturing records including but shall not necessarily be confined to those set out in (b) to (h) below, irrespective of whether the Comprehensive Import Licence (Textiles) has been cancelled, revoked, suspended or expired. Such documents must be produced for inspection upon request by officers of the Customs and Excise Department or the Trade and Industry Department and they shall include where appropriate records relating to the following:  
進口商必須適當備存及保存由貨品進口日期起計至少兩年的有關商業和付運文件, 而香港來源的貨品, 亦須備存有關生產紀錄, 其中可包括但不一定限於下述(b)至(h)項的紀錄, 而不論其綜合進口許可證 (紡織品) 是否已被取消、撤銷、吊銷或有效期是否已屆滿。該等文件必須在有關機關或工業貿易署署長要求時出示, 以供檢查, 並可包括下列 (如適用者) 資料的準確及最新近紀錄:  
  - the order, the bill of lading/air waybill, the packing list, the invoice, the shipping order or shipping manifest and any other records of the consignment (including sales) of the goods imported;
  - wages paid to the employees (including those paid to the manufacturer's employees) and the contractor's acknowledgment by an employee of the receipt of his wages;
  - purchases and use of materials used in the manufacture, processing or production of textiles articles;
  - the daily production of textiles articles manufactured, processed or produced by the manufacturer;
  - sales of textiles articles manufactured, processed or produced by the manufacturer or another person for him and his stock of such articles;
  - any work, being work consisting of the manufacture, processing or production of textiles articles, being carried out for the manufacturer by another person;
  - cash and bank receipts and payments;
  - purchase invoices of raw materials and components used in the production of textiles articles; and
  - any other relevant records and documents.
- In the context of Conditions (6) and (7), goods of Hong Kong origin must have undergone principal process(es) of manufacture in Hong Kong. These are process(es) which permanently and substantially change the shape, nature, form or utility of the basic materials used in manufacture, as laid down by the Director-General of Trade and Industry in relevant Certificate of Origin Circulars.  
就條件(6)及(7)而言, 屬香港來源的貨品必須在香港完成主要製造工序。此等工序, 如工業貿易署署長在相關的《產地來源證通告》內所訂, 指永久及實質地改變所用基本生產原料的形狀、性質、形式或用途的工序。
- Every licence which has been cancelled, revoked or suspended by the Director-General of Trade and Industry and all copies thereof in the possession of the importer or any other person shall be surrendered immediately to the Director-General of Trade and Industry by the importer.  
凡被工業貿易署署長取消、撤銷或吊銷的許可證和該許可證的所有文本 (不論是進口商或任何其他人士所管有), 均須由進口商立即交還工業貿易署署長。
- All or any of the information provided in this licence may be disclosed by the Trade and Industry Department to third parties either in Hong Kong or elsewhere provided that such disclosure is in the interest of trade in Hong Kong, subject to the relevant provisions of the Import and Export (General) Regulations.  
工業貿易署可將本證上的所有或任何資料, 向在香港或其他地方的第三者透露, 倘有關披露合乎香港貿易利益, 而且亦符合《進出口 (一般) 規例》中的相關條款。
- The importer on this licence must comply with any other conditions of licence (other than those stated above) as stipulated in the relevant trade circulars issued by the Trade and Industry Department from time to time.  
除上文所述的條件以外, 本證的進口商亦必須遵守工業貿易署不時發出的貿易通告內所載的其他簽證條件。

SPECIMEN  
樣本

### EXPLANATORY NOTE

#### 註釋

- This licence must be delivered to the carrier within seven days after the goods are imported and returned by the carrier to the Trade and Industry Department together with the relevant manifest within seven days after receiving the licence as required by Section 8 of the Import and Export Ordinance.  
根據《進出口條例》第 8 條的規定, 本證必須在貨品進口後七天內交給承運公司, 然後於收到本證後七天內, 由承運公司把本證連同有關艙單一併交回工業貿易署。
- The importer must file an Import Declaration in respect of items imported under this licence as required by Regulation 4 of the Import and Export (Registration) Regulations unless such items fall under the exemptions listed in Regulation 3 of the aforesaid Regulations.  
根據《進出口 (登記) 規例》第 4 條的規定, 進口商必須就本證所進口貨品遞交進口報關單, 除非該等貨品為該規例第 3 條所列可豁免的項目。

### IMPORTANT WARNING

#### 重要警告

Any person who imports any goods covered by this Comprehensive Import Licence (Textiles) other than under and in accordance with the terms and conditions of this licence commits an offence under Sections 6C(1) and (2) of the Import and Export Ordinance. Under Section 36 of the Import and Export Ordinance, it is also an offence for any person to make a false declaration or to furnish any information which is false or misleading in respect of an application for a licence, and an offence for any person to forge any licence, to alter any licence without the authority of the Director-General of Trade and Industry or to knowingly utter or make use of any licence which has been forged or altered without authority. An offender is liable on conviction to a fine of \$500,000 and to imprisonment for 2 years.  
根據《進出口條例》第 6C(1)及(2)條的規定, 任何人若以本綜合進口許可證 (紡織品) 輸入任何貨品, 但未有根據並按照本證的條款及條件使用本證, 即屬違法。此外, 根據《進出口條例》第 36 條的規定, 任何人倘就申請許可證而作出虛假聲明, 或提供屬於虛假或有誤導成分的資料, 或偽造任何許可證, 或未有工業貿易署署長授權而更改任何許可證, 或明知而行使或利用任何偽造或未有授權而更改的許可證, 亦屬違法。違者一經定罪, 可處罰款\$500,000 以及監禁 2 年。

If there is any discrepancy between the English text and the Chinese text of this form, the English text shall be taken as conclusive.

倘若本表格的中英文本有任何差異, 應當以英文本為準。

**COPYRIGHT RESERVED 保留版權**

**(I) Conditions of Comprehensive Import Licence (Textiles)  
and Comprehensive Export Licence (Textiles)**

1. Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) may be used to cover import of textiles from or export of textiles to countries or places other than those provided for in paragraphs (a) and (b) of the Fourth Schedule of the Import and Export (General) Regulations respectively. For the purpose of deciding whether a comprehensive licence may cover import of textiles from or export of textiles to a country or place, reference shall be made to the Fourth Schedule as it stands at the time of import/export of the relevant textiles to/from Hong Kong.
2. A breach of any of the conditions herein may render the Comprehensive Import Licence (Textiles) and the Comprehensive Export Licence (Textiles) liable to be cancelled, revoked or suspended by the Director-General of Trade and Industry in addition to other appropriate legal and/or administrative action to be taken against the importer/exporter and other parties concerned.
3. The Director-General of Trade and Industry may require an importer/exporter to furnish relevant records or information in respect of individual consignments under the Comprehensive Import Licence (Textiles) and the Comprehensive Export Licence (Textiles), including proofs showing whether the goods are of Hong Kong origin, or any other records or information he may specify relating to the manufacture, processing or production and sale of goods.
4. The importer/exporter must keep and maintain as appropriate for not less than two years (from the date the goods are imported or exported as appropriate) relevant commercial and shipment documents; and where the goods concerned are of Hong Kong origin, relevant manufacturing records including but shall not necessarily be confined to those set out in (b) to (h) below, irrespective of whether the Comprehensive Import Licence (Textiles) or the Comprehensive Export Licence (Textiles) has been cancelled, revoked, suspended or expired. Such documents must be produced for inspection upon request by officers of the Customs and Excise Department or the Trade and Industry Department and may include where appropriate, accurate and up-to-date records containing particulars of the following :
  - (a) the order, the bill of lading/air waybill, the packing list, the invoice, the shipping order or shipper's instruction and records on the disposal (including sales) of the goods imported;



- (b) wages paid to the employees (including those paid to the manufacturer's employees) which shall contain an acknowledgment by each employee of the receipt of his wages;
  - (c) purchases and use of materials used in the manufacture, processing or production of textiles articles;
  - (d) the daily production of textiles articles manufactured, processed or produced by the manufacturer;
  - (e) sales of textiles articles manufactured, processed or produced by the manufacturer or another person for him and his stock of such articles;
  - (f) any work, being work consisting of the manufacture, processing or production of textiles articles, being carried out for the manufacturer by another person;
  - (g) cash and bank receipts and payments;
  - (h) purchase invoices of raw materials and components used in the production of textiles articles; and
  - (i) any other relevant records and documents.
5. In the context of paragraphs 3 and 4 above, goods of Hong Kong origin must have undergone principal process(es) of manufacture in Hong Kong. These are process(es) which permanently and substantially change the shape, nature, form or utility of the basic materials used in manufacture, as laid down by the Director-General of Trade and Industry in relevant Certificate of Origin Circulars.
6. Every Comprehensive Import Licence (Textiles) or Comprehensive Export Licence (Textiles) is identifiable by its unique reference number as a separate licence and can be used to cover import or export of a single consignment<sup>1</sup> only.
7. The licence particulars on the Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) must be true and correct at the time of import or export of the consignment.

---

<sup>1</sup> For imports, textiles goods imported on the same carrier from the same foreign exporter to the same Hong Kong importer may be regarded as one consignment. For exports, textiles goods exported on the same carrier to the same foreign importer from the same Hong Kong exporter may be regarded as one consignment.

8. Where the applicant of the Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) is an individual, the signatory must be the applicant himself/herself. Where the applicant is a company/registered business, the signatory must be the proprietor, a partner or a director as the case may be or other duly authorized representative of the registered business.
9. Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) issued to the importer/exporter is not transferable.
10. Every licence which has been cancelled, revoked or suspended by the Director-General of Trade and Industry and all copies thereof in the possession of the importer/exporter or any other person shall be surrendered immediately to the Director-General of Trade and Industry by the importer/exporter.
11. All or any of the information provided in the Comprehensive Import Licence (Textiles), Comprehensive Export Licence (Textiles) and/or the application thereof may be disclosed by the Trade and Industry Department to third parties either in Hong Kong or elsewhere provided that such disclosure is in the interest of trade in Hong Kong, subject to the relevant provisions of the Import and Export (General) Regulations.
12. The importer/exporter must comply with any other conditions of licence (other than those stated above) as stipulated in the relevant trade circulars issued by the Trade and Industry Department from time to time.

### **Warning**

Any person who imports or exports any goods covered by Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) respectively other than under and in accordance with the terms and conditions of Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) commits an offence under Sections 6C(1) and (2), or 6D(1) and (3) of the Import and Export Ordinance respectively. Under Section 36 of the Import and Export Ordinance, it is also an offence for any person to make a false declaration or to furnish any information which is false or misleading in respect of an application for a licence, and an offence for any person to forge any licence, to alter any licence without the authority of the Director-General of Trade and Industry or to knowingly utter or make use of any licence which has been forged or altered without authority. An offender is liable on conviction to a fine of \$500,000 and to imprisonment for 2 years.

**(II) Application Procedures**

1. Application for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) can be made either by an individual or a company/registered business. Company/registered business applying for comprehensive licence must possess a valid business registration, whereas individual applicant is required to have a Hong Kong Identity Card or a valid passport. Each company/registered business or individual is allowed to hold only one Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) at any one time.
2. On Department's approval of the application, traders can obtain both Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles).
3. Traders can input the relevant data in the web form of *Application Form for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles)* in the Department's web portal. Traders should sign and apply the company chop (for application made by company/registered business only) on the printed copy of the application form (please refer to paragraph 8 for the signatory requirement).
4. Alternatively, traders can obtain the paper *Application Form for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles)* from Counter No. 8 of the Textiles Controls Branch on 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon, or download the application form from the Department's web portal (<http://www.tid.gov.hk>) for completion.
5. Traders should complete the application form either entirely in English or entirely in Chinese.
6. Traders should also note that particulars given in the application form must be true and correct. Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) issued based on false information declared are void and cannot be used to cover textiles imports and exports.
7. Traders are required to read and understand the conditions of Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) in PART THREE of the application form. The submission of application for comprehensive import and export licence signifies that the applicant has agreed to abide by these conditions.

8. Traders should sign on the completed application form and apply the company chop (for application made by company/registered business only) to confirm that the data therein is true and correct. Where the applicant is an individual, the signatory must be the applicant himself/herself. Where the applicant is a company/registered business, the signatory must be the proprietor, a partner or a director as the case may be or other duly authorized representative of the registered business.
  
9. Applications for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) must be supported by the following documents:
  - (a) a photocopy of the signatory's Hong Kong Identity Card or Passport; and
  - (b) a photocopy of valid Business Registration Certificate (for company/registered business only).
  
10. Traders should return the completed application form (including the mailing labels provided) together with the supporting documents referred to in paragraph 9 above as appropriate, to the Department in the following manner:
  - (a) by post to Textiles Controls Branch (Comprehensive Licence), 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon;
  - (b) by drop-in, the drop-in box is located next to Counter No. 8 of the Textiles Controls Branch on 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon. Please put the documents in an envelope; or
  - (c) in person to Counter No. 8 of the Textiles Controls Branch on 2/F, Trade and Industry Department Tower, 700 Nathan Road, Mongkok, Kowloon.

The lodgement of the application for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) does not guarantee approval of the application by the Director-General of Trade and Industry.

11. No fee will be charged for application of comprehensive licence during 2005 subject to the review of the overall textiles licensing arrangement including service fees and charges in end 2005.

12. Upon approval of the application for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles), an approval letter together with a set of login ID and password will be issued to the applicant by recorded delivery. Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) will be valid for a twelve-month period from the date of approval of the application by the Trade and Industry Department. Traders can log on the Department's web portal ([http://www.tid.gov.hk/service/ie/jsp/IE\\_Gen\\_eService\\_e.jsp](http://www.tid.gov.hk/service/ie/jsp/IE_Gen_eService_e.jsp)) through their Comprehensive Licence Account for printing of Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles) on paper to cover individual textiles shipments any time. The Trade and Industry Department will not charge any fee for access to the web-portal.
13. Traders are reminded to keep in safe custody the set of login ID and password which must not be transferred for use by others.
14. Traders must inform the Trade and Industry Department immediately of any change regarding the particulars as provided on the Application Form for Comprehensive Import Licence (Textiles) and Comprehensive Export Licence (Textiles). In this respect, traders should lodge a request for amendment and return the completed amendment form together with the requisite supporting documents to the Department in such manners as referred to in paragraph 10 above.

**Cut-and-Sewn Garments Exempted from  
the Production Notification Arrangement**

(with effect from 1 January 2005)

1. Consignment of cut-and-sewn garments consisting solely of samples that –
  - (a) are of the same style; and
  - (b) do not exceed 60 pieces in quantity.
  
2. Consignment of cut-and-sewn garments consisting solely of samples that –
  - (a) are of the same style; and
  - (b) are intended to be distributed free of charge for the purpose of advertising those garments; and
  - (c) do not exceed 120 pieces in quantity.
  
3. Cut-and-sewn garments that are –
  - (a) exported by an individual and are either for his personal use or a bona fide gift to another individual; or
  - (b) exported as part of the provisions required for consumption or use by the crew or passengers of the vessel, aircraft or vehicle on which the garments are carried,

and are in each case in a quantity that is reasonable having regard to the purpose for which they are exported.

**Conditions of Production Notification**

- (1) Production Notification shall be used to notify the Trade and Industry Department of the details of assembling parts including component parts into garments (See Condition (5) below).
- (2) A breach of any of the conditions herein may render the validation of Production Notification liable to be revoked or suspended by the Director-General of Trade and Industry in addition to other appropriate legal and/or administrative action to be taken against the trader concerned.
- (3) Goods covered by Production Notification must be of Hong Kong origin. The goods claiming Hong Kong origin must be able to comply with the origin criteria for cut-and-sewn garments, viz. assembly of parts into garments, as laid down by the Director-General of Trade and Industry in circulars and/or notices to exporters from time to time.
- (4) The manufacturer and the subcontractor must be registered with the Trade and Industry Department for certification purpose.
- (5) Component parts refer to those specified by the Director-General of Trade and Industry in the relevant circulars and/or notices to exporters regarding the production notification arrangement, and the making up of which may have no implication on the origin status of the finished garments. The making up of component parts exceeding the permissible extent specified in circulars and/or notices to exporters may affect the origin status of the finished garments. The Director-General of Trade and Industry reserves the right to interpret and revise the extent of component parts permissible to be done outside Hong Kong.
- (6) The signatory of Production Notification should be one of the authorised signatories of the Factory Registration.
- (7) Production Notification is issued to the declared manufacturer for his use to support the application for Certificate of Hong Kong Origin, export licence and/or other trade documents and is NOT TRANSFERABLE.
- (8) Production Notification must be lodged with the Trade and Industry Department on the day of or within 3 working days (excluding Sundays and public holidays) prior to the commencement of the major assembly work as declared on the Production Notification.
- (9) Goods covered by Production Notification may be subject to physical checking by authorised officers of the Customs and Excise Department at the factory premises of the

manufacturer and the subcontractor. The manufacturer and the subcontractor should be prepared to render all necessary assistance and provide relevant information including, but not confining to, books and records and component parts, etc. for inspection by authorised officers of the Customs and Excise Department. The Director-General of Trade and Industry reserves the right to refuse the validation of the Production Notification in the event of failure to comply with this requirement.

- (10) Unless otherwise specified, a Production Notification shall be valid for 3 months from the date of validation by the Trade and Industry Department for the purpose of supporting the application for Certificate of Hong Kong Origin, export licence and/or other trade documents in accordance with the requirements specified by the Director-General of Trade and Industry in the relevant circulars and/or notices to exporters regarding certification and/or licensing arrangements for cut-and-sewn garments.
- (11) Unless prior approval has been obtained from the Director-General of Trade and Industry, amendments to a validated Production Notification are not allowed.
- (12) Production Notification lodged by the manufacturer and/or the subcontractor shall not be signed by him/her/them in blank or with the material particulars incomplete.
- (13) The manufacturer of the Production Notification must forthwith notify the Director-General of Trade and Industry of any subsequent changes to information declared on the Production Notification following the issue of validated Production Notification and before it is used to support the application for Certificate of Hong Kong Origin, export licence and/or other trade documents.
- (14) The manufacturer and the subcontractor on Production Notification must comply with ANY OTHER CONDITIONS OF PRODUCTION NOTIFICATION (other than those printed above) as stipulated in the relevant circulars/or and notices to exporters from time to time.

### **Warning**

Any breach of the conditions herein may give rise to criminal liability under the Import and Export Ordinance, Cap. 60 and the Protection of Non-Government Certificates of Origin Ordinance, Cap. 324. It is also an offence for any person to make any false declaration or to furnish any false or misleading information in a Production Notification under the Import and Export Ordinance, Cap. 60 and the Protection of Non-Government Certificates of Origin Ordinance, Cap. 324. Heavy penalties are provided for false declaration and information provided in a Production Notification.



**Fees and Charges for Quota-Related Textiles Applications and Services**

| <b>Items</b>   | <b><u>HK\$</u></b> |
|--|--------------------|
| (a) Textiles Controls Registration Fee (December)  | 143                |
| (b) EDI Licence<br>(including message fee of \$55 for Tradelink Electronic Commerce Limited) | 196                |
| (c) Free Quota Export Authorization  | 508                |
| (d) Special Import Licence (Form 8b, 8c & 8e)  | 43                 |
| (e) Special Export Licence (Form 8a & 8d)  | 58                 |
| (f) Swing of Quotas  | 251                |
| (g) Transfer of Quotas   | 280                |

Note : All the quota-related textiles application and service fees will no longer be applicable from 1 January 2005.

**Fees and Charges for Textiles-Related Services for 2005**

| <b>Items</b>  | <b><u>HK\$</u></b> |
|---|--------------------|
| (a) Annual Factory Registration Fee   | 3,003              |
| (b) Application for EDI Certificate of Hong Kong Origin<br>(including message fee of \$15 for Tradelink Electronic Commerce Limited)                  | 110                |
| (c) Application for EDI Certificate of Origin Processing<br>(including message fee of \$15 for Tradelink Electronic Commerce Limited)                 | 110                |
| (d) Lodgement of EDI Production Notification for Cut-and-Sewn Garments<br>(including message fee of \$16.1 for Tradelink Electronic Commerce Limited) | 50.1               |
| (e) Annual Registration Fee under the Textiles Trader Registration Scheme   | 2,825              |
| (f) Application for Export Licence (Form 4)   | 56                 |
| (g) Application for Import Licence (Form 7)   | 40                 |
| (h) Comprehensive Import Licence/Comprehensive Export Licence   | No Fee             |
| (i) Application for Special Import Licence (Form 8b) until 28 April 2005  | No Fee             |
| (j) Certified true copies of textile licence, trade licence and certificate of origin   | 300                |