

LEGISLATIVE COUNCIL BRIEF

Trade Descriptions Ordinance
(Chapter 362)

Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2013

INTRODUCTION

The Secretary for Commerce and Economic Development (“SCED”) has made the Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2013 (“the Notice”) to add the Free Trade Agreement between Hong Kong, China and Chile signed on 7 September 2012 (“the HKC–Chile FTA”) to the Scheduled Trade Arrangements listed in Schedule 1 to the Trade Descriptions Ordinance (Cap. 362) (“the Ordinance”). The Notice is at Annex.

Annex

BACKGROUND AND JUSTIFICATIONS

2. The Ordinance regulates, among other things, the trade descriptions of goods including the place of manufacture or production of the goods. The Ordinance provides for the making of rules for determining the place of manufacture or production of goods (“rules of origin”). Section 2A(3) of the Ordinance provides that the rules of origin set out in a regional or international trade arrangement specified in Schedule 1 to the Ordinance may apply to certain goods covered by this trade arrangement for the purpose of determining the place of manufacture or production of the goods. Section 2A(4) of the Ordinance provides that SCED may, by notice published in the Gazette, amend Schedule 1.

3. Under the HKC–Chile FTA, a set of preferential rules of origin was specified under which preferential tariff treatment is accorded to goods of Hong Kong origin.

4. As foreshadowed in the Legislative Council Brief dated 7 September 2012 on the HKC–Chile FTA, SCED will add the HKC–Chile FTA to Schedule 1 to the Ordinance by notice published in

the Gazette to enable Hong Kong traders to apply the preferential rules of origin agreed in the HKC–Chile FTA.

THE NOTICE

5. The Notice adds the HKC–Chile FTA to the list of scheduled trade arrangements in Schedule 1 to the Ordinance.

LEGISLATIVE TIMETABLE

6. The Notice is gazetted on 22 March 2013 and will be tabled at the Legislative Council for negative vetting on 27 March 2013. The Notice will come into force on 16 May 2013. The HKC–Chile FTA will enter into force in due course subject to the completion of the necessary domestic legal procedures by Chile.

IMPLICATIONS OF THE PROPOSAL

7. The making of the Notice is in conformity with the Basic Law, including the provisions concerning human rights. The Notice will not affect the binding effect of the Ordinance.

PUBLICITY

8. The Trade and Industry Department (TID) will provide the trade with the information on preferential rules of origin under the HKC–Chile FTA and related matters through a trade circular and TID's general advisory service. The text of the HKC–Chile FTA is available at TID's website. TID will also make available at its office a copy of it for inspection by the public during normal office hours.

ENQUIRIES

9. Any enquiry on this brief can be addressed to Ms Milly Au Yeung, Principal Trade Officer of TID, at 2398 5538.

Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2013

(Made by the Secretary for Commerce and Economic Development under section 2A(4) of the Trade Descriptions Ordinance (Cap. 362))

1. Commencement

This Notice comes into operation on 16 May 2013.

2. Trade Descriptions Ordinance amended

The Trade Descriptions Ordinance (Cap. 362) is amended as set out in section 3.

3. Schedule 1 amended (scheduled trade arrangements)

Schedule 1, after item 4—

Add

- | | | |
|--|-------------------|---|
| “5. Free Trade Agreement between Hong Kong, China and Chile signed on 7 September 2012 | Republic of Chile | A date in accordance with Article 19.7 of the Agreement”. |
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Secretary for Commerce and
Economic Development

12th March 2013

Explanatory Note

Schedule 1 to the Trade Descriptions Ordinance (Cap. 362) specifies the regional or international trade agreements or arrangements entered into between Hong Kong and its trading partner places (*scheduled trade arrangements*).

2. This Notice amends that Schedule to add the Free Trade Agreement between Hong Kong, China and Chile signed on 7 September 2012 (*Agreement*) to the list of scheduled trade arrangements so that, by virtue of section 2A(3) of the Ordinance, the rules of origin for any goods qualified for preferential tariff treatment under the Agreement apply for the purpose of determining the place of manufacture or production of those goods.