

立法會
Legislative Council

LC Paper No. CB(1)779/16-17(04)

Ref : CB1/PL/CI

Panel on Commerce and Industry

Meeting on 18 April 2017

Updated background brief on the development of a Trade Single Window

Purpose

This paper provides updated background information on the development of a Trade Single Window ("SW"). It also summarizes the views expressed by members during previous discussions on the relevant issues.

Background

Current situation

2. There are 51 business-to-government ("B2G") trade documents and submissions¹ currently required by nine government agencies for the trading of goods into, out of and through Hong Kong to meet regulatory requirements for a number of public policy reasons, such as statistics, levies and duties, anti-smuggling, public safety and health, and security purposes.

3. To ease the burden of trade control over traders and carriers and to speed up customs clearance, quite a number of schemes have been introduced to help stakeholders meet trade document requirements through electronic means.

¹ These include the Import and Export Declarations ("TDEC"), Cargo Manifests, advance cargo information ("ACI") of different forms, as well as licences, permits and other documents required for goods that are subject to specific controls or schemes.

These include the Government Electronic Trading Services ("GETS")² since 1997, Air Cargo Clearance System³ since 1998, Road Cargo System⁴ since 2010 and various voluntary schemes for sea cargoes.⁵

4. Regardless of the availability of electronic services or otherwise, stakeholders are still required to deal with each and every government agency separately as may be required at different points of time. The fragmented approach is not conducive to the efficient processing of incoming and outgoing goods.

Overseas experience

5. According to the United Nations Centre for Trade Facilitation and Electronic Business, an SW is a "facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If the information is electronic, then individual data elements should only be submitted once." The need for traders to approach different government agencies individually would be obviated. The establishment of SWs for trade facilitation is championed by the United Nations, World Customs Organization, World Trade Organization and the Asia-Pacific Economic Cooperation as information collected through SW will be harmonized and standardized, and shared between relevant government agencies electronically. The Association of South East Asian Nations ("ASEAN") SW seeks to

² Government Electronic Trading Services is a front-end electronic service mandatory for the trading community to submit commonly used trade documents (including TDEC, Certificate of Origin and Dutiable Commodities Permit and Cargo Manifest for air and sea modes (i.e. (a) Statement One Cargo Manifest (sea mode) (upon demand), (b) Statement Two Cargo Manifest (air mode), (c) Statement Two Cargo Manifest (sea mode) and (d) voluntary Electronic System for Cargo Manifest Statement One Submission Scheme for Ocean Going Vessels("OGVs")) to the Government via private sector Service Providers.

³ Air Cargo Clearance System is an electronic system for air cargo operators to submit electronic information of imported goods to the Government on a voluntary basis for customs clearance purposes.

⁴ Road Cargo System is an electronic system for shippers to submit electronic ACI for road cargoes as required under the Import and Export (Electronic Cargo Information) Regulation (Cap. 60L).

⁵ As regards sea cargoes, for OGVs, carriers may submit ACI (at the master, more general level) under the voluntary EMAN Statement One Submission Scheme for OGVs. Sea freight forwarders may submit ACI (at the house, more detailed level) under the E-Sea Customs Clearance Scheme on a voluntary basis. For River Trade Vessels ("RTVs"), carriers may submit ACI under the voluntary ACI for RTVs Scheme.

interconnect the national SWs of the 10 ASEAN member countries,⁶ and is being implemented in stages beginning from 2015.

Proposed Trade Single Window in Hong Kong

6. Following mainstream international development and to uphold Hong Kong's competitiveness in trade in goods and position as a logistics hub, the Financial Secretary ("FS") announced in his 2016-2017 Budget Speech that the Government planned to set up an SW as a single information technology ("IT") platform for the one-stop lodging of all 51 B2G documents for all trade declaration and customs clearance purposes, as well as a dedicated office to coordinate with the relevant departments, engage the industries and prepare the detailed design and implementation programme for SW.

7. SW is expected to possess the technical capability to facilitate, if required in future, interfaces with business-to-business platforms operated by the private sector and connections with SWs of other economies. Consideration will also be given as to whether and how best SW might take on board a new requirement for pre-shipment Import and Export Declarations ("TDEC") to replace the existing post-shipment requirement,⁷ as well as a new requirement for pre-shipment Cargo Reports⁸ to replace the existing requirements for Cargo Manifests and advance cargo information. A formal three-month public consultation exercise on the proposed SW was launched from 13 April to 12 July 2016 to gauge the views of stakeholders and the public. Subject to implementation progress, the Administration proposed to roll out SW in three phases from 2018 to 2023.⁹

⁶ The 10 member countries of the Association of South East Asian Nations are Brunei Darussalam, Cambodia, Indonesia, Lao, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.

⁷ At present, traders are required to submit TDEC within 14 days after the actual shipment of goods into or out of Hong Kong.

⁸ At present, carriers are required to submit Statement One Cargo Manifests and/or ACI pre-shipment for customs clearance, as well as Statement Two Cargo Manifests post-shipment for matching with TDEC. Similar information are submitted more than once. It is proposed that a pre-shipment Cargo Report will replace the existing requirements for cargo manifests and ACI which streamlines and simplifies the submission requirements.

⁹ The proposed three phases to roll out SW are as follows –

- (a) Phase 1 (2018 the earliest) covering 14 documents that do not require legislative amendments in migrating to SW, for voluntary use to solicit and cultivate early buy-in of the SW initiative across different stakeholders;
- (b) Phase 2 (Q4 2021 the earliest) covering 14 documents under Phase 1 and 26 more, after legislative amendments have been made to make submission to SW mandatory; and
- (c) Phase 3 (Q4 2023 the earliest) covering TDEC and Cargo Reports.

8. The Administration briefed the Panel on Commerce and Industry ("the Panel") at the meeting on 19 April 2016 on the proposed SW, creation of a supernumerary post of Administrative Officer Staff Grade C for an initial period of three years to head a new dedicated Project Management Office ("PMO") to take forward the SW initiative, as well as the public consultation on the proposed SW.

9. The Panel supported the SW initiative in principle and the staffing proposal for PMO. The Finance Committee approved the funding proposal on 24 June 2016.

10. In his 2017-2018 Budget Speech, FS said that the dedicated PMO was maintaining close liaison with the industry to enhance the pre-shipment declaration arrangements to ensure that only the most essential information would be required for customs clearance.

Previous discussions

11. The Panel and the Establishment Subcommittee ("ESC") discussed the SW proposal and related staffing proposal at the meetings on 19 April and 6 June 2016 respectively. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

Pre-shipment documentation regime

12. At both meetings, some Members raised concern about the proposal of the new requirement for pre-shipment TDEC and Cargo Reports to replace the existing post-shipment documentation requirement. They were worried about the feasibility of a pre-shipment TDEC scheme in Hong Kong as some information might not be available on time, and the legal liability for mis-reporting, as well as the time and costs required to make post-shipment amendments.

13. The Administration advised at both meetings that a change to a pre-shipment documentation regime would enable Hong Kong to align with the international mainstream practice and facilitate smoother and seamless cargo clearance which would benefit the trading community. The Administration would work closely with stakeholders in developing the future arrangements and finding possible ways to address their concerns, for example, by giving sufficient time for parties to submit pre-shipment TDEC, allowing certain post-deadline amendments that were reasonably or genuinely necessary, and ensuring reasonable information requirement of pre-shipment TDEC.

Fees to be charged by Trade Single Window

14. Given that the introduction of SW would create opportunities for the participating government agencies to streamline business processes and integrate computer systems, thus help saving manpower and resources, some Members urged that the fees to be charged by SW should be lower than the existing fees, and that the existing free-of-charge services should be maintained.

15. The Administration advised that participating government agencies would review the existing fees for their services as well as justifications for those currently free-of-charge services, and identify possible cost savings with a view to achieving full-cost recovery as far as possible in the new SW environment. In addition, the Administration would carefully consider the views on SW fees received in the consultation exercise.

Implementation of Trade Single Window

16. At the ESC meeting, Members enquired whether it would be necessary to introduce legislative amendments for implementing the new measures. Members also enquired about the concerns of the industry regarding the voluntary measures to be implemented in Phase 1, and how the Administration would assist small and medium enterprises ("SMEs") in transitioning to the SW regime.

17. The Administration advised that it planned to commence work on drafting legislative amendments upon completion of the public consultation with a view to introducing an amendment bill into the Legislative Council by the end of 2017 or in early 2018. Regarding the voluntary measures to be implemented in Phase 1, the industry's major concern was that SMEs might encounter technical problems when submitting documents using electronic means. In relation to this, the Administration pointed out that SMEs would be able to use the SW system without difficulties, because users could submit documents simply through the browsers of their computers in future. For users who could not submit documents to the Government through electronic means due to individual reasons, they could use the services provided by service providers for converting paper documents into electronic copies for submission to the Government. The Administration would also ensure that the SW system would be user-friendly and simple in design, and would provide technical support to the industry where necessary.

Connectivity of Trade Single Window

18. At the ESC meeting, Members enquired whether the Administration had made reference to the experience of other major economies that had implemented relevant measures. The Administration advised that some major economies such as Singapore, Korea and Japan had implemented SWs

connecting the participating government organizations to facilitate document submission to various government organizations through the single electronic platform. To enable Hong Kong to align with the international best practice, it was necessary to establish a new, full-fledged SW to replace GETS as soon as possible.

Latest position

19. The Administration will brief the Panel on 18 April 2017 on the way forward for the SW project to develop a single IT platform for the one-stop lodging of all B2G documents for importing and exporting goods, following a public consultation exercise concluded in July 2016.

Relevant papers

20. A list of relevant papers is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
7 April 2017

List of relevant papers

Date of meeting	Meeting	Minutes/Paper
19/4/2016	Panel on Commerce and Industry	<p>Administration's paper on "Development of a trade single window" (LC Paper No. CB(1)794/15-16(03))</p> <p>Background brief on "Setting up a trade single window" provided by the Legislative Council Secretariat (LC Paper No. CB(1)794/15-16(04))</p> <p>Minutes of meeting (LC Paper No. CB(1)1043/15-16)</p>
6/6/2016	Establishment Subcommittee	<p>Administration's paper on "Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau for three years with immediate effect upon approval of the Finance Committee to oversee and steer the work of a new Project Management Office in taking forward the development of a trade single window in Hong Kong" (EC(2016-17)7)</p> <p>Minutes of meeting (LC Paper No. ESC129/15-16)</p>
24/6/2016	Finance Committee	<p>Recommendations of the Establishment Subcommittee (FCR(2016-17)51)</p> <p>Minutes of meeting (LC Paper No. FC323/15-16)</p>