

LEGISLATIVE COUNCIL BRIEF

Import and Export Ordinance (Chapter 60)

Import and Export (General) Regulations (Amendment of Schedule 7) Notice 2017

INTRODUCTION

The Director-General of Trade and Industry (DGTI) has made the Import and Export (General) Regulations (Amendment of Schedule 7) Notice 2017 (“the Notice”) to add **Venezuela, Bolivarian Republic of (“Venezuela”)** to the list of specified countries or places in Schedule 7 to the Import and Export (General) Regulations (Cap. 60 sub. Annex A leg. A) (“the Regulations”). The Notice is at Annex A.

JUSTIFICATIONS

2. The Kimberley Process Certification Scheme (KPCS) was developed by the Kimberley Process (KP), an international negotiating forum that seeks to stop trade in “conflict diamonds¹” from fuelling

¹ “Conflict diamonds” is defined under the KPCS to mean rough diamonds used by rebel movements or their allies to finance conflicts aimed at undermining legitimate governments, as described in relevant United Nations Security Council (UNSC) resolutions insofar as they remain in effect, or in other similar UNSC resolutions which may be adopted in the future, and as understood and recognised in United Nations General Assembly (UNGA) Resolution 55/56, or in other similar UNGA resolutions which may be adopted in future.

armed conflicts, activities of rebel movements and illicit proliferation of armament. Under the KPCS, participating economies cannot trade rough diamonds with non-participants.

3. To safeguard Hong Kong's interest as a trading hub of rough diamonds in the region and to minimise disruption to the local diamond industry, we have implemented the KPCS in Hong Kong since 2 January 2003 through a registration system and import / export controls stipulated in the Regulations. The countries and places (currently 80 economies in total) where Hong Kong traders are permitted to import and export rough diamonds are specified in Schedule 7 to the Regulations (**Annex B**). Under reg. 7(2) of the Regulations, DGTI has the authority to amend Schedule 7 to add or remove any countries or places.

Annex B

4. Venezuela was once a KPCS participant but voluntarily decided to suspend itself from the KPCS in 2008 due to challenges experienced in the diamond mining sector and its inability to meet KP minimum requirements. Subsequently, Venezuela was removed from Schedule 7 on 8 August 2008. After making much effort, it is now able to meet the minimum requirements of the KPCS. The Final Communique of the Fourteenth KP Plenary Meeting issued on 17 November 2016 officially announced the resumption of participation by Venezuela in the KP. As a KP participant, we need to add Venezuela to Schedule 7 as one of the economies that Hong Kong can trade rough diamonds.

THE NOTICE

5. The Notice adds Venezuela to the list of specified countries or places in Schedule 7 to the Regulations.

LEGISLATIVE TIMETABLE

6. The Notice will be gazetted on 20 January 2017 and tabled at the Legislative Council on 8 February 2017.
7. The Notice will be effective on 1 April 2017.

PUBLICITY

8. Trade and Industry Department will inform the trade of the details of the amended Regulations through a trade circular and will provide general advisory service on enquiry.

ENQUIRIES

9. For any enquiries on this brief, please contact Ms. Anita Tse, Principal Trade Officer of the TID at 2398 5483.

Trade and Industry Department

18 January 2017

**Import and Export (General) Regulations
(Amendment of Schedule 7) Notice 2017**

A copy of the captioned notice is attached.

Import and Export (General) Regulations (Amendment of Schedule 7) Notice 2017

(Made by the Director-General of Trade and Industry under regulation 7(2) of the Import and Export (General) Regulations (Cap. 60 sub. leg. A))

1. Commencement

This Notice comes into operation on 1 April 2017.

2. Import and Export (General) Regulations amended

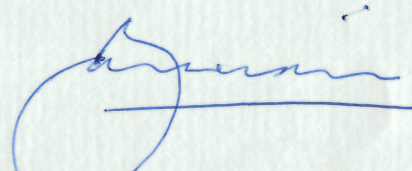
The Import and Export (General) Regulations (Cap. 60 sub. leg. A) are amended as set out in section 3.

3. Schedule 7 amended (specified countries or places)

Schedule 7—

Add in alphabetical order

“Venezuela, Bolivarian Republic of”.



Director-General of Trade and
Industry

6 January 2017

Explanatory Note

Part 6 of the Import and Export (General) Regulations (Cap. 60 sub. leg. A) implements in Hong Kong the Kimberley Process Certification Scheme under which trade in rough diamonds is regulated. Schedule 7 to the Regulations specifies—

- (a) the countries and places for which the Scheme is effective; and
 - (b) other countries and places that are permitted by the Kimberley Process to trade rough diamonds with countries and places described in subparagraph (a).
2. This Notice adds Venezuela to that Schedule so that trade in rough diamonds with Venezuela may be carried out.

Annex B

Chapter: 60A	Title: Import and Export (General) Regulations	Gazette Number:	L.N. 198 of 2013
Schedule: 7	Heading: Specified Countries or Places	Version Date:	21/2/2014

Angola	Japan
Armenia, Republic of	Kazakhstan, Republic of
Australia	Korea, Republic of
Austria	Lao People's Democratic Republic
Bangladesh	Latvia
Belarus	Lebanon
Belgium	Lesotho
Botswana	Liberia
Brazil	Lithuania
Bulgaria	Luxembourg
Cambodia, Kingdom of	Malaysia
Cameroon, Republic of	Mali
Canada	Malta
Central African Republic	Mauritius
China, People's Republic of	Mexico
Congo, Democratic Republic of the	Namibia
Congo, Republic of the	Netherlands, The
Côte d'Ivoire #	New Zealand
Croatia	Norway
Cyprus	Panama, Republic of
Czech Republic	Poland
Denmark	Portugal
Estonia	Romania
Finland	Russian Federation
France	Sierra Leone
Germany	Singapore
Ghana	Slovakia
Greece	Slovenia
Guinea	South Africa
Guyana	Spain
Hungary	Sri Lanka
India	Swaziland
Indonesia	Sweden
Ireland	Switzerland
Israel	Tanzania
Italy	Thailand

Togo
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States of America
Viet Nam (otherwise known as Vietnam)
Zimbabwe

But see the United Nations Sanctions (Côte d'Ivoire) Regulation 2013 (Cap 537 sub. leg. BE).

(Schedule 7 added L.N. 179 of 2002; L.N. 250 of 2002; L.N. 10 of 2003; L.N. 37 of 2003; L.N. 68 of 2003; L.N. 101 of 2003; L.N. 128 of 2003; L.N. 202 of 2003; L.N. 210 of 2003; L.N. 239 of 2003; L.N. 254 of 2003; L.N. 11 of 2004; L.N. 68 of 2004; L.N. 141 of 2004; L.N. 106 of 2005; L.N. 138 of 2005; L.N. 169 of 2005; L.N. 201 of 2006; L.N. 255 of 2006; L.N. 118 of 2007; L.N. 173 of 2007; L.N. 232 of 2007; L.N. 209 of 2008; L.N. 13 of 2009; E.R. 1 of 2012; L.N. 80 of 2012; L.N. 173 of 2012; L.N. 90 of 2013; L.N. 198 of 2013)