

LEGISLATIVE COUNCIL BRIEF

Trade Descriptions Ordinance
(Chapter 362)

Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2019

INTRODUCTION

Annex The Secretary for Commerce and Economic Development (“SCED”) has made the Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2019 (“the Notice”) (at Annex) under section 2A(4) of the Trade Descriptions Ordinance (“TDO”) (Cap. 362) to add the newly signed Free Trade Agreement between Hong Kong, China (“HKC”) and Australia to the list of trade arrangements in Schedule 1 to the TDO.

BACKGROUND AND JUSTIFICATIONS

2. The TDO regulates, amongst other things, the trade descriptions of goods including the place of manufacture or production of the goods. Section 2(2)(a) of the TDO stipulates that, for the purposes of the TDO, goods shall be deemed to have been manufactured in the place in which they last underwent a treatment or process which changed permanently and substantially the shape, nature, form or utility of the basic materials used in their manufacture, or produced in the place in which they were wholly grown or mined.

3. Schedule 1 to the TDO specifies the regional or international trade agreements or arrangements entered into between HKC and its trading partners (“scheduled trade arrangements”). According to section 2A(3) of the TDO, the rules of origin set out in the scheduled trade arrangements apply to the specified goods covered by such trade arrangements for the purpose of determining the place of manufacture or production of the goods. Pursuant to section 2(2B) of the TDO, the provisions under section 2(2)(a) will not apply to the specified goods that are covered by section 2A(3).

4. Under the Free Trade Agreement between HKC and Australia signed on 26 March 2019 (“FTA”), a set of preferential rules of origin has been formulated under which preferential tariff treatment is accorded to goods of Hong Kong origin. As foreshadowed in the Legislative Council Brief issued on the signing day, to enable Hong Kong traders to apply the preferential rules of origin specified under the FTA, SCED will add the FTA to Schedule 1 to the TDO by notice published in the Gazette.

THE NOTICE

5. The Notice adds the FTA between HKC and Australia signed on 26 March 2019 to the list of scheduled trade arrangements in Schedule 1 to the TDO.

LEGISLATIVE TIMETABLE

6. The Notice will be gazetted on 12 April 2019 and will be tabled at the Legislative Council for negative vetting on 17 April 2019. The Notice will come into operation on 1 July 2019, and the FTA between HKC and Australia will enter into force after the two sides have completed their respective necessary internal procedures.

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 current binding effect of the TDO.

PUBLICITY

8. The Trade and Industry Department (TID) has uploaded the full text of the FTA onto TID’s designated webpage, published leaflets and conducted briefings to provide information on the FTA, including preferential rules of origin, to the trade and the public. A copy of the FTA is also available in TID’s office for inspection by the public. Detailed information on application of the preferential rules of origin under the FTA will be made available through trade circulars and our dedicated advisory service before the FTA enters into force.

ENQUIRIES

9. Any enquiry on this brief can be addressed to Ms Winnie Sheh, Principal Trade Officer of TID, at 3403 6250.

Commerce and Economic Development Bureau
Trade and Industry Department
April 2019

Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2019

(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 1 July 2019.

2. Trade Descriptions Ordinance amended

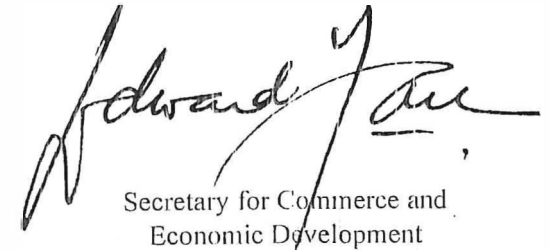
The Trade Descriptions Ordinance (Cap. 362) is amended as set out in section 3.

3. Schedule 1 amended (scheduled trade arrangements)

Schedule 1—

Add

“11.	Free Trade Agreement between Hong Kong, China and Australia signed on 26 March 2019	Australia	A date in accordance with Article 20.3 of Chapter 20 of the Agreement”.
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Secretary for Commerce and Economic Development

9 April 2019

Explanatory Note

Schedule 1 to the Trade Descriptions Ordinance (Cap. 362) specifies certain regional or international trade agreements or arrangements. An agreement or arrangement so specified is a *scheduled trade arrangement* for the purpose of section 2A of the Ordinance.

2. Under section 2A(3) of the Ordinance, the rules of origin for goods qualified for preferential tariff treatment under a scheduled trade arrangement apply for the purpose of determining the place of manufacture or production of those goods.
3. This Notice amends that Schedule to add the Free Trade Agreement between Hong Kong, China and Australia signed on 26 March 2019 as a scheduled trade arrangement so that section 2A(3) of the Ordinance applies.