Individual Action Plan Update for Hong Kong, China for 2014

Highlights of recent policy developments which indicate how Hong Kong, China is progressing towards the Bogor Goals and key challenges it faces in its efforts to meet the Goals.

Hong Kong, China (HKC) is a firm supporter of the Bogor Goals of free and open trade and investment. Improvements and updates since 2012 Individual Action Plan (IAP) update are highlighted in the following areas:

Tariffs: HKC applies no tariffs on all imports; and binds tariffs on 3,366 tariff lines (about 46.07% of all lines) at zero on a most-favoured-nation (MFN) basis in 2013, accounting for 60% of our imports in 2012 value terms.

Non-Tariff Measures: HKC does not impose any quantitative restrictions or maintain non-tariff barriers for the protection of domestic industries. HKC continues to maintain only those non-tariff measures that are required to protect public health, safety, security and the environment, and to fulfill obligations under international agreements. HKC continues to keep the measures under constant review with the objective of facilitating trade as far as possible.

Services: HKC maintains a liberal regime for trade in services. Most service sectors are free and open, and foreign service providers and traders normally enjoy national treatment.

Investment: HKC maintains one of the world's most liberal, open and transparent investment regimes. In general, there are no special legislation, regulations or administrative guidelines governing foreign investment in HKC, except for the broadcasting sector where the residency requirements concerning ownership of investment are on par with international standards. These regulatory requirements are subject to constant review by the Government, and have been progressively relaxed. There are no restrictions on foreign exchange transactions, capital movement or repatriation of capital and returns related to foreign investments. A level playing field is provided for both foreign and local investors in HKC. Laws and regulations affecting investment are published and made available online.

Standards and Conformance: HKC adopts international standards as far as possible, including the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) standards, where applicable.

Customs Procedures: HKC is a free port with no customs tariff. The customs procedures are compatible with the Guiding Principles laid down by the APEC Sub-Committee on Customs Procedures. Some recent remarkable achievements include the launch of the Hong Kong Authorized Economic Operator Programme and the streamlining of the arrangement of the Economic Cooperation Framework Agreement in April 2012. HKC continues to enhance Electronic Data Interchange Systems, sign cooperative instruments, work closely with the business sector to enhance cooperation on customs clearance matters, streamline the customs clearance procedures, and adopt the systematic risk management techniques in cargo and passengers clearance.

Competition Policy: HKC's competition policy is to enhance economic efficiency and the free flow of trade through promoting sustainable competition to bring benefits to both the business sector and consumers. The enactment of the Competition Ordinance in June 2012 is a major milestone in the development of the competition policy in HKC, signifying the determination of the Government in maintaining fair and sustainable competition in the market.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Tariffs	Bound Tariffs	Bound Tariffs
	HKC applies no tariffs on imports. As an update, MFN tariffs on 60% of imports in 2012 value terms (i.e. about 46.07% of our tariff lines) are bound at zero.	Further improvements are expected to be made upon the completion of the negotiations of WTO Doha Development Agenda and expansion of product coverage under the Information Technology Agreement.
	 Transparency of Tariff Regime, including implementation of APEC Leaders' Transparency Standards on Market Access 	 Transparency of Tariff Regime, including implementation of APEC Leaders' Transparency Standards on Market Access
	HKC has updated its tariff data in the WTO Integrated Database in 2013.	Continue to update our tariff data in the WTO Integrated Database on an annual basis.
	Tariff Summary Report	Continue to ensure transparency of our tariff regime.
	The updated "Bound tariff lines as a percentage of all lines":	
	All Goods: 46.07 Wood, Pulp, Paper and Furniture: 93.58 Textiles and Clothing: 5.72 Leather, Rubber, Footwear and Travel Goods: 37.77 Metals: 75.08 Chemical & Photographic Supplies: 10.11 Transport Equipment: 12.15 Non-Electric Machinery: 29.30 Electric Machinery: 55.45 Mineral Products, Precious Stones & Metals: 53.56 Manufactured Articles, n.e.s.: 53.46	
	Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association	
	The Free Trade Agreement between HKC and the Member States of the European Free Trade Association (EFTA) together with the related bilateral agreements on agriculture, which form part of the instruments creating the free trade	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	area, entered into force between HKC; Iceland; Liechtenstein and Switzerland on 1 October 2012; as well as between HKC and Norway on 1 November 2012. Under these agreements, HKC has committed to granting tariff free access to all products originating in the EFTA States. • Free Trade Agreement between HKC and Chile HKC and Chile signed a Free Trade Agreement on 7 September 2012. The Agreement will enter into force on a date to be mutually determined by HKC and Chile after completing necessary domestic procedures. Under the agreement, HKC has committed to granting tariff free access to all products originating from Chile.	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	Tariffs http://www.tid.gov.hk/english/trade_relations/tradefora/wto_tariffnegot.html Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association http://www.tid.gov.hk/english/trade_relations/hkefta/index.html	
Contact point for further details:	 Tariffs Multilateral Division Trade and Industry Department Tel: (852) 2398 5747; Fax (852) 2390 7479 E-mail: mdiv1@tid.gov.hk Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association Europe Division Trade and Industry Department Tel: (852) 2398 5354; Fax: (852) 2789 9761 E-mail: enquiry@tid.gov.hk 	
Non-Tariff Measures	HKC does not impose any quantitative restrictions (i.e. no import or export quotas) or maintain non-tariff barriers for the protection of domestic industries. HKC maintains only those non-tariff measures that are required to protect public health, safety, security and the environment, and to fulfill obligations under international agreements. Genetically Modified Organisms (GMOs) The Genetically Modified Organisms (Control of Release) (Exemption) Notice (the Notice) entered into force on 23 June 2012. The Notice exempts two varieties of GM papaya (viz. the variety with the unique identifier code CUH-	Continue to review the existing non-tariff measures in the light of advancement in technology, etc and remove measures rendered unnecessary by such advancement. We will also continue to streamline licensing and certification procedures where appropriate. Non-Pesticide Hazardous Chemicals Keep the import licensing requirements under constant review with the objective of facilitating trade as far as possible.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Section Heading, if any)	CP551-8 and the variety with the transformation event code Huanong 1) and live recombinant veterinary vaccines from the restrictions on the import of GMOs intended for release into the environment, which are imposed by the Genetically Modified Organisms (Control of Release) Ordinance. Prior approval is required for the import for environmental release of other varieties of GM papayas. Pesticide Residues in Food The Pesticide Residues in Food Regulation, which aims to better protect public health, will come into force on 1 August 2014. The Regulation specifies a list of residue limits for certain pesticide-food pairs formulated mainly with reference to international standards recommended by Codex Alimentarius Commission, supplemented by standards of other major food exporting economies to HKC. The presence of pesticide residues in food at levels exceeding the limits will be an offence. For food containing pesticide residues whose limits are not specified in the Regulation, import and sale of the food concerned is permitted only if the consumption of such food is not dangerous or prejudicial to health as confirmed by risk assessment. Pesticides (Amendment) Ordinance The Pesticides (Amendment) Ordinance 2013 will come into operation on 27 January 2014. The amendments seek to	Dutiable Commodities Implement electronic licensing to replace the existing paper licensing in 2017.
	update the Ordinance to bring the regulatory framework for pesticides fully in line with the requirements of the Stockholm Convention on Persistent Organic Pollutants and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade ¹ .	

The two Conventions aim to protect human health and the environment from persistent organic pollutants and hazardous chemicals including pesticides, and have been applied to HKC in 2004 and 2008 respectively.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	General Overview on Import and Export Licensing	
	http://www.tid.gov.hk/service/utf/EnqIE.do	
	Genetically Modified Organisms	
	http://www.afcd.gov.hk/gmo	
	• Rice	
	http://www.tid.gov.hk/english/import_export/nontextiles/nt_rice/nt_rice.html	
	Controlled Chemicals	
	http://www.customs.gov.hk/en/trade_facilitation/chemicals/index.html	
	Optical Disc Mastering and Replication Equipment	
	http://www.customs.gov.hk/en/trade_facilitation/optical_disc/index.html	
	Dutiable Commodities	
	http://www.customs.gov.hk/en/trade facilitation/dutiable/licence permit/index.html	
	Motor Vehicles	
	http://www.customs.gov.hk/en/trade_facilitation/vehicles/index.ht_ml	
	 Pharmaceutical Products, Medicines, and Dangerous Drugs 	
	http://www.cmd.gov.hk/html/eng/service/service.html http://www.drugoffice.gov.hk/eps/do/en/pharmaceutical_trade/gui_delines_forms/useful_guidelines_forms.html	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	Non-Pesticide Hazardous Chemicals http://www.epd.gov.hk/epd/english/international_conventions/pop	
	s/hcco1.html Pesticide Residues in Food	
	http://www.cfs.gov.hk/english/whatsnew/whatsnew_fstr/whatsnewww.fstr 21 Pesticide.html	
	Pesticides http://www.afcd.gov.hk/english/quarantine/qua_pesticide/qua_pesticide.html	
	Strategic Commodities http://www.stc.tid.gov.hk/eindex.html	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Contact point for further details:	 ■ Genetically Modified Organisms Agriculture, Fisheries and Conservation Department Tel: (852) 2150 6910; Fax: (852) 2314 2802 E-mail: biosafety@afcd.gov.hk ■ Ozone-depleting Substances General Licensing and Hong Kong Service Supplier Certification Branch Trade and Industry Department Tel: (852) 2398 5560; Fax: (852) 2395 5602 E-mail: enquiry@tid.gov.hk ■ Rough Diamonds General Licensing and Hong Kong Service Supplier Certification Branch Trade and Industry Department Tel: (852) 2398 5557; Fax: (852) 2395 5602 E-mail: enquiry@tid.gov.hk ● Controlled Chemicals Customs Drug Investigation Bureau Customs and Excise Department Tel: (852) 2541 4383; Fax: (852) 2123 9152 E-mail: customsenquiry@customs.gov.hk ● Optical Disc Mastering and Replication Equipment Intellectual Property Investigation Bureau Customs and Excise Department Tel: (852) 2851 1625; Fax: (852) 2716 3261 E-mail: customsenquiry@customs.gov.hk 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
· · · · · · · · · · · · · · · · · · ·	 ■ Dutiable Commodities Office of Dutiable Commodities Administration Customs and Excise Department Tel: (852) 3759 2398; Fax: (852) 2542 4660 E-mail: customsenquiry@customs.gov.hk ■ Motor Vehicles Office of Dutiable Commodities Administration Customs and Excise Department Tel: (852) 3759 2556; Fax: (852) 2598 4975 E-mail: customsenquiry@customs.gov.hk ■ Pharmaceutical Products, Medicines, and Dangerous Drugs Chinese Medicine Division Department of Health Tel: (852) 2319 5119; Fax: (852) 2319 2664 E-mail: cmd@dh.gov.hk Drug Office Department of Health Tel: (852) 2319 8458; Fax: (852) 2803 4962 E-mail: pharmgeneral@dh.gov.hk ■ Non-Pesticide Hazardous Chemicals Cross-Boundary & International Division Environmental Protection Department Tel: (852) 2594 6502; Fax: (852) 2838 2155 E-mail: andylau@epd.gov.hk 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	Pesticide Residues in Food Risk Assessment and Communication Division Centre for Food Safety Food and Environmental Hygiene Department Tel: (852) 2867 5608; Fax: (852) 2893 3547 E-mail: jcwyau@fehd.gov.hk Pesticides Plant and Pesticides Regulatory Division Agriculture, Fisheries and Conservation Department Tel: (852) 2150 7000; Fax: (852) 2736 9904 E-mail: plantlic@afcd.gov.hk	
Services	HKC maintains a liberal regime for trade in services. Most service sectors are free and open, and foreign service providers and traders normally enjoy national treatment. New developments are set out below - Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association The Free Trade Agreement between HKC and the Member States of the European Free Trade Association (EFTA) entered into force between HKC; Iceland; Liechtenstein and Switzerland on 1 October 2012; as well as between HKC and Norway on 1 November 2012. Under the Agreement, HKC made broad commitments covering a wide range of services. Some of the commitments go beyond HKC's existing commitments under the GATS.	No plan to change the policy of maintaining a liberal regime for trade in services. Most service sectors are free and open, and foreign service providers and traders normally enjoy national treatment. Business Services: Accounting Foreign Entry Hong Kong Institute of Certified Public Accountants will consider proposals for mutual recognition of qualifications/paper exemption arrangements with other accountancy bodies.
Website for further information:	Operational Requirements http://www.legislation.gov.hk/09/eng/pdf.htm (the Legal Practitioners Ordinance, Cap. 159), http://service-providers.hktdc.com/manufacturers/Legal-Service-Manufacturers/en/201-1/ (Legal Service from	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	verified Manufacturers & Suppliers), and http://www.hkba.org/admission-pupillage/ad-hoc (Admission Criteria: Practice Guidelines for Admission of Overseas Counsel).	
	Licensing and Qualification Requirements of Service Providers	
	http://www.legislation.gov.hk/09/eng/pdf.htm (the Legal Practitioners Ordinance, Cap. 159), http://www.hklawsoc.org.hk/pub_e/admission/foreginlawfirms.asp (information about foreign law firms), http://www.hklawsoc.org.hk/pub_e/admission/oversea.asp (information about foreign lawyers).	
	Foreign Entry	
	http://www.legislation.gov.hk/blis_pdf.nsf/CurAllEngDoc/9F2 035E3665E2897482575EE00479051/\$FILE/CAP_159Q_e b5.pdf http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3F A94825755E0033E532/B569597116B72465482575EE0046 CBB1/\$FILE/CAP_159AC_e_b5.pdf	
	Business Services: Other (Estate Agents Services)	
	http://www.eaa.org.hk/Licensing/Mutualrecognition/tabid/98/language/en-US/Default.aspx	
	Communication Services: Audio-Visual	
	Operational Requirements	
	Television and Radio Services:	
	The four categories of television programme services — domestic-free, domestic-pay, non-domestic (mainly satellite television services targeting the Asia-Pacific region) and other licensable television programme services will continue to be regulated according to their characteristics and	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	pervasiveness rather than their transmission mode under the Broadcasting Ordinance (Cap. 562) (see http://www.legislation.gov.hk/blis_pdf.nsf/6799165D2FEE3F A94825755E0033E532/95E2973BF78F44E7482575EF001 B7F8B/\$FILE/CAP_562_e_b5.pdf), Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391) (see http://www.legislation.gov.hk/blis_pdf.nsf/CurAllEngDoc/4D0 DE3B749CF4DD6482575EF0001E80D/\$FILE/CAP_391_e_b5.pdf), the licence conditions (see http://www.cedb.gov.hk/ctb/eng/broad/licences.htm for copies of licences), and the codes of practice (see http://www.coms-auth.hk/en/policies_regulations/cop_guidelines/broadcasting /index.html) applicable to the services.	
	Radio broadcasting licensees shall continue to comply with the requirements under the Telecommunications Ordinance (Cap. 106) (see http://www.legislation.gov.hk/blis_pdf.nsf/CurAllEngDoc/652 48D243340F9BD482575EE0039F763/\$FILE/CAP_106_e_b 5.pdf) and Broadcasting (Miscellaneous Provisions) (Cap. 391) (see http://www.legislation.gov.hk/blis_pdf.nsf/CurAllEngDoc/4D0 DE3B749CF4DD6482575EF0001E80D/\$FILE/CAP_391_e_b5.pdf), the licence conditions (see http://www.cedb.gov.hk/ctb/eng/broad/licences.htm for copies of licences), and the codes of practice (see http://www.coms-auth.hk/en/policies_regulations/cop_guidelines/broadcasting /index.html) applicable to the services.	
	More information on television and radio services can be found at http://www.cedb.gov.hk/ctb/eng/broad/content.htm. Motion Picture/Video Tape Production and Distribution Services, and Motion Picture Projection Service:	
	The film censorship system can be found at http://www.cedb.gov.hk/ctb/eng/film/content.htm .	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	Licensing and Qualification Requirements of Services Providers	
	Television and Radio Services: More information on television and radio services can be found at http://www.cedb.gov.hk/ctb/eng/broad/content.htm.	
	Motion Picture/Video Tape Production and Distribution Services, and Motion Picture Projection Service: The film censorship system can be found at http://www.cedb.gov.hk/ctb/eng/film/content.htm .	
	Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association	
	http://www.tid.gov.hk/english/trade_relations/hkefta/index.html	
Contact point for further details:	Business Services: Other (Estate Agents Services)	
	Estate Agents Authority Tel: (852) 2598 9550; Fax: (852) 2598 9596 E-mail: kevincheung@eaa.org.hk	
	Communication Services: Audio-Visual	
	Operational Requirements / Licensing and Qualification Requirements of Services Providers / Foreign Entry Discriminatory Treatment/MFN	
	Television and Radio Service; Motion Picture/Video Tape Production and Distribution Services, and Motion Picture Projection Service:	
	A Division Communications and Technology Branch Commerce and Economic Development Bureau Tel: (852) 3655 5595; Fax: (852) 2511 1458 E-mail: ctbeng@cedb.gov.hk	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association Europe Division Trade and Industry Department Tel: (852) 2398 5354; Fax: (852) 2789 9761	
Investment	E-mail: enquiry@tid.gov.hk Invest Hong Kong (InvestHK), the government's investment promotion agency, has since its establishment in 2000 assisted around 3,100 companies (increased from 2,400 companies reported in 2012 IAP) in establishing a presence or expanding its operation in HKC. According to the latest survey, HKC was host to over 7,400 companies (increased from 6,900 companies in 2012 IAP) representing their parent companies located outside HKC as at 1 June 2013.	InvestHK will continue to strengthen its investment promotion efforts to attract companies to set up or expand their business operations in HKC to access opportunities in China and elsewhere in Asia.
	 Number of Bilateral Investment Treaties (BITs) and Free Trade Agreements/Regional Trade Agreements (FTAs/RTAs) in which National Treatment (NT) and MFN Treatment are ensured in relation to foreign investment 17 Investment Promotion and Protection Agreements (IPPAs) signed as at December 2013; and 	
	Two FTAs (with NT in investment) signed as at December 2013, compared with one in 2012 IAP. Business facilitating measures to improve domestic business environment HKC set up a "Dedicated Fund on Branding, Upgrading and	
	Domestic Sales" (the BUD Fund) of HK\$1 billion (US\$0.128 billion) in June 2012 to support HKC enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in China's market, so as to help them capture the opportunities arising from China's National 12th Five-Year Plan. The BUD Fund comprises two programmes, namely the Enterprise Support Programme and Organisation Support Programme,	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	providing funding support for indivdiual enterprises and non- profit-distributing orgnaisations respectively. Subject to its financial position, the BUD Fund would be open for applications for five years.	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	 Investment Promotion and Protection Agreements (IPPAs) http://www.tid.gov.hk/english/trade_relations/ippa/index.html Dedicated Fund on Branding, Upgrading and Domestic Sales Enterprise Support Programme: http://www.bud.hkpc.org Organisation Support Programme: http://www.bud.tid.gov.hk 	
Contact point for further details:	 Number of BITs and FTAs/RTAs in which NT and MFN are ensured in relation to foreign investment Trade and Industry Department Tel: (852) 3403 6110; Fax: (852) 2789 9761 Dedicated Fund on Branding, Upgrading and Domestic Sales Enterprise Support Programme: Hong Kong Productivity Council Tel: (852) 2788 6088; Fax: (852) 2788 6196 E-mail: bud_sec@hkpc.org Organisation Support Programme: Trade and Industry Department Tel: (852) 2398 5128; Fax: (852) 2391 7375 E-mail: bud_enquiry@tid.gov.hk 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Standards and Conformance	 Number of Domestic Standards aligned with International Standards for Voluntary Action Plan (VAP) As reported in the 5th VAP report (updated in January 2013), HKC has achieved 100% alignment of the 28 target standards in the fields of product safety, electrical equipment and assistive products². Conformity Assessment Process including Participation in and Implementation of Mutual Recognition Arrangements (MRAs) For APEC MRA for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA): HKC has recognised 11 more testing laboratories as conformity assessment bodies (CAB), up to a total of 25, for telecommunication equipment. Of the 25 recognised testing laboratories, 20 are designated by the US, three by Chinese Taipei, one by Canada and one by Singapore. Hong Kong Accreditation Service has been a signatory to the Asia Pacific Laboratory Accreditation Cooperation (APLAC) MRA for reference material producer since June 2012, and a signatory to the International Laboratory Accreditation Cooperation (ILAC) MRA for inspection since October 2012. 	Number of Domestic Standards aligned with International Standards for VAP Will join future new VAP alignment work as appropriate.

HKC accepts relevant international standards such as ISO and IEC standards. Compliance with the new VAP target IEC and ISO standards is deemed to satisfy the relevant safety requirements of laws/regulations in HKC.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	Conformity Assessment Process including Participation in and Implementation of MRAs For APEC MRA for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA):	
	http://www.ofca.gov.hk/en/industry focus/telecommunication s/standards/telecom/apec_tel_mra/index.html For accreditation programme on reference material producers:	
	http://www.itc.gov.hk/en/quality/hkas/hoklas/about.htm For ILAC MRA for inspection: https://www.ilac.org/documents/mra_signatories.pdf	
Contact point for further details:	 Number of Domestic Standards aligned with International Standards for VAP Product Standards Information Bureau Quality Services Division Innovation and Technology Commission Communications and Technology Branch Commerce and Economic Development Bureau E-mail: mylwong@itc.gov.hk Conformity Assessment Process including Participation in and Implementation of MRAs For APEC MRA for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA): Standards Section Advisory & Spectrum Management Division Operations Branch Office of the Communications Authority E-mail: warrenkwok@ofca.gov.hk 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	For Hong Kong Accreditation Service: Hong Kong Accreditation Service Section Quality Services Division Innovation and Technology Commission Communications and Technology Branch Commerce and Economic Development Bureau E-mail: kwchen@itc.gov.hk	
Customs Procedures	 Adoption of Systematic Risk Management Techniques The Computerized Profile Analysis and Screening System (COMPASS) to collate risk indicators for profiling high risk passengers on international drug trafficking at the Hong Kong International Airport has been extended to sea and land boundary entry points to profile drug couriers between HKC and China since December 2012. To enhance the Customs-to-Customs (C2C) and Customs-to-Business (C2B) Partnership for securing and facilitating global trade, HKC: launched the Hong Kong Authorized Economic Operator (HKAEO) Programme in April 2012 which allows companies satisfying a prescribed list of requirements to be accredited as AEOs eligible for less frequent inspections and priority clearance at entry and exit points. As of December 2013, 15 companies were accredited as AEOs and the number of AEOs is increasing; (b) entered into AEO mutual recognition arrangements (MRAs) with the China and India Customs in October and November 2013 respectively to mutually recognise the respective supply chain security programmes to facilitate seamless and secure flow of 	 Adoption of Systematic Risk Management Techniques Employ a new screening engine in the Customs and Excise Risk Assessment System by early 2014 to enhance the power of auto-screening capability for handling the increasing submission of advance cargo information on maritime consignments and enhance the risk profiling capability and facilitate legitimate maritime trade. Expect to sign MRAs with the Korea and Singapore Customs in 2014, and continue to take active steps to commence MRA discussions with other Customs administrations. Continue to enhance IT applications in our risk management system to further facilitate trade and passengers through speedy clearance. Continue to develop the Customs and Excise Intelligence System. Continue to explore the feasibility of employing non-IT systems to support the identification of high-risk conveyance and cargo at operational fronts.
	goods across boundaries for trusted and reliable enterprises; and (c) implemented the Smart and Secure Trade Lanes Pilot Project in November 2013 to minimise Customs	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
· · · · · · · · · · · · · · · · · · ·	controls and uphold end-to-end supply chain security through enhanced C2C and C2B cooperation. Implementation of Economic Cooperation Framework Agreement (ECFA) Implemented since 1 January 2011, the ECFA³ arrangements have been streamlined since April 2012 by (i) relaxing the requirement for advance submission of applications to Hong Kong Customs from at least two calendar days to one calendar day prior to the arrival of consignments; and (ii) conducting documentary check only instead of affixing Customs seals on those transit cargoes and transhipment cargoes without consolidation to further facilitate trade and reduce their costs. (see http://www.customs.gov.hk/en/trade_facilitation/ecfa/index.ht ml for details) New Boundary Crossings A new cruise terminal at Kai Tak area with customs, immigration, quarantine and police facilities commenced operation in June 2013. Paperless Trading Implemented on 30 September 2012, the Money Service Operators Licensing System provides an e-channel for the Money Service Operators to submit licence applications and quarterly returns; and to retrieve the application status and results instantly round the clock, thereby leading to a more efficient delivery of public service.	New Boundary Crossings Continue to participate in the planning and preparation work regarding customs clearance process in new land and sea control points. Paperless Trading Continue to promote wider use of Government Electronic Trading Services for exchange of trade-related information between the Government and the business sector. Continue to monitor the satisfaction level of the business sector to generate inputs for further enhancing the functions and
		Pave way for the electronic interface between Hong Kong

ECFA is an agreement signed between China and Chinese Taipei, which offers traders with tariff reduction for import of tariff items (more than 800) into either of the two places, basically for consignments shipped directly between China and Chinese Taipei. Provided that certain conditions are met, the consignment can route through the third party under the control of its Customs administration.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	 Development of a Compendium of Harmonized Trade Data Elements Aligned closely with the WCO Data Model, new application of the Corporate Data Model (CDM) includes the implementation of the Money Service Operators Licensing System involving the data exchange between the government and the business sector thereby further reducing traders' efforts in fulfilling import/export regulatory requirements. Greater Public Availability of Information The homepage of Hong Kong Customs was revamped in December 2012 to comply with the World Wide Web Consortium Web Content Accessibility Guides level AA standard to make it more accessible to users with disabilities setting an example for the private sector to follow. Integrity Four thematic departmental seminars and 34 courses on staff integrity, work-life balance and prudent financial management were held between 2012 and August 2013. Three integrity workshops for the business partners of Hong Kong Customs (including the consumer goods, toys and children's products industry, the cross boundary transport industry and the remittance and money changing industry) were organised in 2012 and 2013. 	Customs and Hong Kong Post for faster clearance of air parcels by adding a new module to the Air Cargo Clearance System. Plan to develop the system for dutiable commodities traders to submit licence applications electronically to replace the paper licence in 2017. Development of a Compendium of Harmonized Trade Data Elements Continue to work with other Customs administrations to develop common data elements for data exchange. Continue to promote the use of the CDM for the development of new application systems or enhancement of existing application systems aligned with the WCO Data Model and other international standards. Greater Public Availability of Information Continue to review and update the homepage regularly so as to enhance its functions, features and user-friendliness.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP		Further Improvements Planned
		•	Implementation of WCO Guidelines on Express Consignment Clearance
			Continue to develop one-stop clearance procedures to cater for the request of the express cargo industry in the inter-modal transshipment service.
			Continue to further improve the efficiency of customs clearance procedures through the established information exchange mechanism (e.g. regular consultative meetings with express industry associations); training programmes to enhance the awareness of the express industry in preventing and detecting customs offences; and use of IT in facilitating cargo clearance and exchange of information.
		•	Adoption of Kyoto Convention
			Continue to study the implications of the Revised Kyoto Convention and consider accession.
		•	Implementation of Harmonized System Convention
			Continue to implement HS and take steps to accede to the HS Convention.
		•	Other Issues
			Customs-Business Partnership
			Continue to:-
			 enhance the cooperation and communication between Customs and the business sector through regularly meetings with five Customer Liaison Groups (representing traders of sea freight, air freight, dutiable commodities and cross-boundary transport industries and major users of the Road Cargo System (ROCARS)).
			 conduct training on the "Watch Out" programme for three cargo terminal operators and 13 associations/companies

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
		 of cross-boundary transportation industry. arrange "Out-reach" visits to brief the shipping industry to further encourage the advance submission of cargo information to Hong Kong Customs through electronic cargo manifest (EMAN) and other initiatives for more effective and efficient cargo clearance. operate the Intellectual Property Rights Protection Alliance. combat illicit trade through, among others, industry-sponsored informer reward schemes with the IPR industry, oil companies and the tobacco industry.
Website for further information:	http://www.customs.gov.hk/	
Contact point for further details:	Office of Customs Affairs and Co-operation Customs and Excise Department Tel: (852) 3759 2640; Fax: (852) 3108 2316 E-mail: hk liaison@customs.gov.hk	
Intellectual Property Rights	 In January 2013, the project partners IP Australia, HKC and Singapore reviewed the free on-line IP audit tool "Intellectual Property Explorer" and agreed to continue in its current form and review it again in 2016. New/additional promotion and education activities include – (1) two benchmarking surveys were conducted in 2012. The survey results showed that the public and business understanding of IP rights has been improving. The results also provided useful insights 	 Continue to collect user's feedback/suggestions for consideration of enriching the content of its website⁶ and enhancing the IT systems.

The tool was designed to help the business sector in particular the small and medium sized enterprises to identify and protect their IP interests.

IPD provides a wide range of related information on its website including among others, copyright, trade marks, patents and designs and other IP rights, Trade Marks Registry Work Manual, and updates the website contents regularly to reflect the latest development.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	for strengthening efforts to promote rights among the business sector. Two other benchmarking surveys were conducted in 2013; and	
	(2) collaboration with various IP related associations to launch new promotion and education campaigns and activities were made in 2013.	
	Measures to provide for Effective Enforcement of IP Rights	
	Physical Market	
	• The enforcement strategies ⁵ against IPR infringing activities, put in place since 2010, proved to be effective. For instance, the number of shops selling pirated optical discs significantly dropped from about 1,000 in 1998 to a few since 2011. The situation is being kept under firm control and the Customs will exert continued effort and join hands with other enforcement authorities with a view to wiping out the infringing activities.	
	Cyber Market	
	To better prepare for the enforcement challenges resulting from the fast developing technology, the Customs set up an Electronic Crime Investigation Centre (ECIC) in early 2013 to formulate the strategies and procedures in evidence collection; to enhance the enforcement capability and skill of preservation of digital evidence through simulations, experiments and professional training; and to conduct researches on online investigation system.	

The strategies include intercepting pirated and counterfeit goods at source; taking targeted action against organised IP crimes through in-depth investigations, intensive raids and preventive high-profile patrols at tourist spots; prosecuting offenders by a conspiracy charge as an organised crime with a view to enhancing sentences/penalties; and utilizing new technologies and strengthening training to tackle the ever-changing infringing activities on the Internet.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	 Public Education about IP The Customs joined hands with the Intellectual Property Department (IPD), the IP industry, the Guangdong Subadministration of Customs General Administration, and the Guangdong Copyright Bureau to organise two rounds of study tour in December 2011 and May 2012, and in January and March 2013 to promote respect for IPR among youngsters, foster cooperation with the industry and the Mainland authorities and enhance understanding in the IPR protection/education mechanism in the Mainland. IPD co-organised with Hong Kong Reprographic Rights Licensing Society in launching a campaign during April 2012 and April 2013 to promote the right approach of photocopying and the importance of originality to students, teachers and parents. IPD, the Customs and Business Software Alliance jointly organised "2012 MyGame Design Competition" in August 2012 to promote the respect for IPR. IPD launched the Interactive Drama Programme in October 2012 to promote the awareness on the effects of Internet infringement and the respect for creativity, originality and intellectual property rights to primary and secondary students. IPD co-organised with the Chinese YMCA of Hong Kong and YouTube in October 2012 a"'I Pledge' Live Band Festival" to promote original music content and IPR on the Internet among youngsters. IPD and the Customs jointly organised I Pledge • Youth Ambassador Ocean Night in December 2012 to raise public awareness, especially among youngsters, of the importance of IPR. 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	International Cooperation on IP Rights	
	Examples include -	
	(a) In January 2012, the Customs, to tie in with the worldwide operation of the U.S. Department of Justice and the Federal Bureau of Investigation (FBI), smashed a large-scale transnational cyberlocker syndicate named 'Megaupload'. resulting in seizure of digital evidence with over US\$43 million (HK\$335 million) worth of crime proceeds restrained.	
	(b) In February 2012, acting on the information provided by the French Customs and through further intelligence, the Customs conducted in- depth investigations and resulted in seizure of counterfeit goods with the total seizure value of approximately US\$2.5 million (HK\$19 million).	
	(c) In June 2012, the Customs mounted a parallel operation with the Macao Customs against distribution of infringing files including films and music over an internet discussion forum.	
	(d) In June 2012, the Customs co-hosted the Intellectual Property Crime Regional Training Seminar and International Dimension Training Day in Hong Kong with the INTERPOL. The seminar gathered IP crime investigators, prosecutors and private sector investigators from more than 10 economies to promote cooperation and enforcement capabilities with all-dimensional studies on IP protection strategies from the international perspective.	
	(e) In September 2012, the Customs and the European Chamber of Commerce in Hong Kong jointly organised the First Annual Regional	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	European IPR Protection and Enforcement Conference in HKC to promote the collaborative working relationships among brand owners, law enforcement officials, legal professionals and industry organisations in the Asia Pacific region and Europe on IPR protection and enforcement. Enforcement agencies of 17 economies, IP related organisations and companies participated in the conference.	
Website for further information:	IPD website: http://www.ipd.gov.hk/eng/home.htm IPD Performance targets: http://www.ipd.gov.hk/eng/about_us/performance_pledge.htm	
Contact point for further details:	IPD's e-mail : enquiry@ipd.gov.hk	
Competition Policy	The Competition Bill was passed by the legislature in June 2012 to become the Competition Ordinance. An independent Competition Commission (for investigation and enforcement) and the Competition Tribunal (for adjudication on competition-related cases) have been established.	The Competition Ordinance will be implemented in phases. Various preparatory work is being carried out for the full implementation of the Ordinance. HKC will ensure that the necessary institutional set-up and regulatory guidelines are in place before bringing the competition law into full operation.
Website for further information:	www.cedb.gov.hk/citb/	
Contact point for further details:		
Government Procurement	Introduction of Electronic Means for Government Procurement An e-Tender Box has been implemented since 2010 to replace the Electronic Tendering System to allow for downloading of tender documents from and submission of tender offers through the Internet for all types of tenders issued by the Government Logistics Department. The procurement system is under constant review with a view to further liberalising the government procurement regime and improving the transparency of tendering procedures.	Subject to the entering into force of the revised WTO Agreement on Government Procurement (GPA) for HKC, we will implement the improved disciplines under the revised GPA and expand our coverage commitments to GPA Parties.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	www.gld.gov.hk	
Contact point for further details:	Chief Supplies Officer (Procurement Administration) Government Logistics Department Tel: (852) 2231 5232	
Deregulation/Regulatory Review	Reviews of Existing or New/Proposed Regulations HKC continues to make good progress in cutting red tape, removing unnecessary regulatory barriers and improving regulatory efficiency by conducting sector-specific and licence-specific regulatory reviews under its business facilitation programme in partnership with the business community through established machinery such as the Business Facilitation Advisory Committee and its Task Forces.	 Reviews of Existing Regulations and Impact Assessment of New/Proposed Regulations Continue to – (a) undertake sector-specific or licence-specific regulatory reviews; (b) duly assess the business implications of regulatory proposals as appropriate; (c) take forward the "Be the Smart Regulator" Programme to further enhance its overall business licensing environment and competitiveness, and to cultivate a business facilitation and smart regulation culture within the Civil Service; and (d) study the World Bank's Annual Doing Business Report with a view to identifying potential scope for improvement in the business regulatory environment.
Website for further information:	http://www.gov.hk/en/theme/bf/facilitation/index.htm	
Contact point for further details:	Business Facilitation Division Economic Analysis and Business Facilitation Unit Financial Secretary's Office Tel: (852) 2810 3691; Fax: (852) 2537 7566 E-mail: eabfu@fso.gov.hk	
Implementation of WTO Obligations/ROOs	Rules of Origin Our basic principles for determining origin are in conformity with international practices and standards. We have notified	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	our latest non-preferential rules of origin to WTO under Article 5.2 of the Agreement on Rules of Origin (ROO) in 2012. A comprehensive account of our origin rules system can be found at http://www.tid.gov.hk/english/import_export/cert/cert_maincontent.html	
	Update on Closer Economic Partnership Arrangement (CEPA) with China: As at 1 December 2013, goods classified under a total of 1,777 tariff codes of China are eligible under the Agreement in accordance with 2013 classification. More information can be found at http://www.tid.gov.hk/english/cepa/tradegoods/trade_goods.html	
	HKC – New Zealand Closer Economic Partnership Agreement: The Agreement entered into force on 1 January 2011. Preferential ROOs as set out in Chapter 4 of the Agreement apply. Details can be found at http://www.tid.gov.hk/english/trade_relations/hknzcep/index.html	
	Free Trade Agreement between HKC and the Member States of the European Free Trade Association: The Agreement entered into force (i) between HKC, Iceland, Liechtenstein and Switzerland on 1 October 2012 and (ii) between HKC and Norway on 1 November 2012. Preferential ROOs as set out in Annex IV of the Agreement apply. Details can be found at http://www.tid.gov.hk/english/trade_relations/hkefta/index.html	
	Free Trade Agreement between HKC and Chile: HKC and Chile signed a Free Trade Agreement on 7 September 2012. The Agreement will enter into force on a date to be mutually determined by HKC and Chile after completing necessary domestic procedures. Preferential ROOs as set out in Chapter 4 will apply. Details can be found at http://www.tid.gov.hk/english/trade_relations/hkclfta/index.ht	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	<u>ml</u>	
Website for further information:		
Contact point for further details:	Factory Registration and Origin Certification Branch Trade and Industry Department Tel: (852) 3403 6432; Fax: (852) 2787 6048 E-mail: cepaco@tid.gov.hk	
Dispute Mediation	Arbitration	Arbitration
	 The Arbitration Ordinance (Cap. 609) came into operation on 1 June 2011. The Ordinance establishes a unitary regime⁷ for arbitration in HKC, abolishing the distinction between the domestic arbitration regime and international arbitration regime under the repealed Arbitration Ordinance (Cap. 341). In July 2013, the Arbitration (Amendment) Ordinance 2013 was passed. Its principal object is to implement the Arrangement Concerning Reciprocal Recognition and Enforcement of Arbitral Awards between the Hong Kong Special Administrative Region (HKSAR) and the Macao SAR ("the Arrangement") concluded in January 2013. The relevant statutory provisions came into force on 16 December 2013 to facilitate summary enforcement of Macao arbitral awards by Hong Kong courts under the Arrangement. 	 As part of the efforts to promote the Arbitration Ordinance and HKC's position as the regional centre for dispute resolution in Asia Pacific, HKC will be updating and distributing leaflets on "Attractive Features of the New Law on Arbitration" and "Hong Kong – the International Arbitration Centre for the Asia Pacific". Other promotional activities include seminars in or outside HKC organised by HKC and/or professional bodies and arbitration institutions where appropriate.
	 The rest of the Arbitration (Amendment) Ordinance 2013 came into force on 19 July 2013 and made miscellaneous amendments to the Arbitration Ordinance (Cap. 609) to further enhance the arbitral regime of HKC in the light of international practices. Of particular importance is the addition of new provisions for the judicial enforcement of emergency relief granted 	

The unitary regime is based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration as adopted by the United Nations Commission on the International Trade Law on 21 June 1985 and as amended by that Commission on 7 July 2006.

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	by an emergency arbitrator before an arbitral tribunal is constituted. The emergency arbitrator provisions can be found in the arbitration rules of world-class arbitral institutions such as the 2013 Hong Kong International Arbitration Centre Administered Arbitration Rules and the 2012 International Chamber of Commerce Rules of Arbitration. Both sets of rules include provisions for the appointment of an emergency arbitrator by the relevant arbitral institution to grant orders for urgent interim or conservatory relief (e.g. order to preserve assets out of which a subsequent arbitral award may be satisfied, or an order to preserve relevant and material evidence). The above legislative amendments would enable HKC's arbitration regime to stay at the forefront amongst Model Law jurisdictions. Mediation Mediation The Mediation Ordinance (Cap. 620) was enacted in June 2012 and came into operation on 1 January 2013. The Mediation Ordinance provides a regulatory framework for the conduct of mediation in Hong Kong without hampering the flexibility of the mediation process. Its objects are to promote, encourage and facilitate the resolution of disputes by mediation, and to protect the confidential nature of mediation communications. It also seeks to establish HKC as an international alternative dispute resolution centre. The Second Mediation in Hong Kong Conference was held on 11 and 12 May 2012 to raise public	 Mediation A Mediation Week will be held in March 2014. A two-day mediation conference with overseas and local speakers and activities will be held to promote the use of mediation in various sectors, such as legal, commercial, construction, education, financial, insurance, and medical. A new Annoucement in Public Interest will be broadcasted in early 2014 to further enhance public awareness of the benefits of mediation.
	awareness of mediation and provide an opportunity for overseas and local mediation experts to share their experiences. To further foster the development of mediation in Hong	The Steering Committee on Mediation has undertaken to
	Kong, a Steering Committee on Mediation was set up in November 2012, with three Sub-committees dealing with regulatory framework, accreditation and public	study the need for an apology legislation, the provision of guidelines on the disclosure of mediation communication under section 8(2)(e) of the Mediation Ordinance

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	education and publicity, comprising members from different sectors of the community including legal professionals, medical practitioners, academics, administrators, social workers and insurers. It has proved to be an effective platform for exchanging views, setting strategies and co-ordinating efforts amongst the stakeholders.	(Cap. 620), collation of mediation data for the purpose of monitoring the implementation of the Mediation Ordinance and the monitoring of the accreditation and disciplinary matters of mediators in HKC.
	 The Hong Kong Mediation Accreditation Association Limited, a non-statutory industry-led body, discharging accreditation and disciplinary functions was established in August 2012 and commenced operation in April 2013. It is now the largest mediation accreditation body in HKC. 	
	 A "Mediate First" Pledge Reception was held in July 2013 to encourage the commercial sector to explore the use of mediation to resolve the dispute before pursuing other alternative dispute resolution or court litigation. 	
	 Investment Promotion and Protection Agreements (IPPAs) 	
	 HKC has signed 17 bilateral IPPAs with its major economic partners as at December 2013. These IPPAs provide, among other things, that the contracting parties may settle any disputes through bilateral consultation or arbitration under international rules. 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	Mediation	
	http://www.doj.gov.hk/eng/public/mediation.htm	
	 Investment Promotion and Protection Agreements (IPPAs) 	
	http://www.tid.gov.hk/english/trade_relations/ippa/index.html	
Contact point for further details:	Investment Promotion and Protection Agreements (IPPAs)	
	Trade and Industry Department Tel: (852) 3403 6110; Fax: (852) 2789 9761	
Mobility of Business People	 Participation in the APEC Business Travel Card (ABTC) Scheme With the full participation of Russia in the ABTC Scheme with effect from 1 June 2013, nationals of Russia holding ABTC may enjoy the travel facilitation provided to ABTC holders in HKC. 	Number of Visa Free or Visa Waiver Arrangements Continue to review visa policies and immigration arrangements regularly and make improvements where appropriate with a view to enhancing the mobility of business people.
	Other Efforts to Facilitate Mobility of Business People	Other Efforts to Facilitate Mobility of Buisness People
	 A new Pre-arrival Registration for Taiwan Residents (PAR) service, which is a free online registration service, was implemented on 1 September 2012. Each PAR notification slip is valid for two months and good for two entries to HKC as visitor for up to 30 days on each landing. 	Plan to further extend self-service immigration clearance (e-Channel) to enrolled visitors at control points.
	The automated immigration clearance (i.e. e-Channel) service was extended to enrolled Mainland Chinese visitors holding valid Exit-Entry Permit for Travelling to and from HKC and Macao with multiple-journey exit endorsement for HKC in January 2012 and enrolled foreign frequent visitors who have made visits to HKC by air via Hong Kong International Airport for no less	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
	 than 3 times in the past 12 months in April 2012. Streamlined applications for intra-corporate transfer of senior managers or specialists in ten specified sectors and applications for installers or servicers in five specified sectors from nationals or permanent residents of the member states of the European Free Trade Association was implemented on 1 October 2012 (for Iceland, Liechtenstein and Switzerland) and on 1 November 2012 (for Norway). Memorandum of Understanding on the use of automated immigration clearance service on a reciprocal basis by holders of the Republic of Korea passport and HKSAR passport was signed on 30 July 2013. It aims to enhance trade, business and tourism links between HKC and the Republic of Korea. The scheme was officially launched on 12 December 2013. 	

IAP Chapter (and Sub-Chapter and Section Heading, if any)	Improvements made since 2012 IAP	Further Improvements Planned
Website for further information:	Number of Visa Free or Visa Waiver Arrangements	
	http://www.immd.gov.hk/en/services/hk-visas/visit-transit/visit-visa-entry-permit.html	
	http://www.immd.gov.hk/en/services/hk-visas/overseas-chinese-entry-arrangement/overseas-chinese.html	
Contact point for further details:	Principal Immigration Officer (Visa Control) Policies Immigration Department Tel: (852) 2829 3807; Fax: (852) 2824 1675 Email: wfchiu@immd.gov.hk	
Official websites that gather economies' information		 Continue to disseminate adequate, relevant, reliable and timely statistics which comply with international standards and statistical principles in a user-friendly website.
Website for further information:	Statistical information on Hong Kong	
	http://www.censtatd.gov.hk	
Contact point for further details:	Statistical information on Hong Kong	
	General Statistics Section Census and Statistics Department Tel: (852) 2582 4736; Fax: (852) 2827 1708 E-mail: gen-enquiry@censtatd.gov.hk	
Transparency		Continue to maintain a highly transparent and accountable government that supports civic participation.
Website for further information:		
Contact point for further details:		

RTAs/FTAs		
- Description of current agreements	Please use Part 1 of the RTA/FTA reporting template (available at https://www.apec-iap.org/browse/display/displayMain.asp?year=2005&economyID=HKC&economy=Hong+Kong%2C+China&chapterID=42&GUID=%7B13A9894F%2DCD57%2D4534%2D827D%2D6388482EA844%7D&docURL=%2Fdocument%2FHKC%5F2005%5FFTAS%5FAND%5FRTAS%2Ehtm&docType=0&sectionID=0">https://www.apec-iap.org/browse/display/displayMain.asp?year=2005&economyID=HKC&economy=Hong+Kong%2C+China&chapterID=42&GUID=%7B13A9894F%2DCD57%2D4534%2D827D%2D6388482EA844%7D&docURL=%2Fdocument%2FHKC%5F2005%5FFTAS%5FAND%5FRTAS%2Ehtm&docType=0&sectionID=0">https://www.apec-iap.org/browse/displayMain.asp?year=2005&economyID=HKC&economy=Hong+Kong%2C+China&chapterID=42&GUID=%7B13A9894F%2DCD57%2D4534%2DB27D%2D6388482EA844%7D&docURL=%2Fdocument%2FHKC%5F2005%5FFTAS%5FAND%5FRTAS%2Ehtm&docType=0&sectionID=0">https://www.apec-iap.ntas.iap.iap.iap.iap.iap.iap.iap.iap.iap.iap	
Agreement #1	Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) Please refer to Annex I.	
Agreement #2	Hong Kong, China - New Zealand Closer Economic Partnership Agreement Please refer to Annex II.	
Agreement #3	Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association Please refer to Annex III.	
Agreement #4	Free Trade Agreement between Hong Kong, China and Chile Please refer to Annex IV.	
- Agreements under negotiation	Please provide information on agreements that are currently under negotiation eg issues being covered in the negotiation and the status of the negotiation.	
- Future plans	Free Trade Agreement between Hong Kong, China and the Association of Southeast Asian Nations (ASEAN) HKC and ASEAN agreed to pursue a bilateral free trade agreement in April 2013. HKC is discussing with ASEAN with a view to commencing formal negotiations in early 2014.	
Website for further information:		
Contact point for further details:		

Other voluntary reporting areas	Improvements made since 2012 IAP	Further Improvements Planned
Supporting multilateral trading system		HKC has long supported the multilateral trading system (MTS) by maintaining an extremely liberal trade and investment regime. We will continue to participate actively in the MTS, in particular on the Doha Development Agenda negotiations.
Website for further information:		
Contact point for further details:		

Agreement #1 Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)		
Background (membership, date of entry into force, type of agreement)	Since 2012 IAP Update, changes made are as follows: Supplements IX and X to CEPA were signed on 29 June 2012 and 29 August 2013 respectively. Liberalisation measures of trade in services under Supplement IX came into full implementation on 1 January 2013, and the liberalisation measures of trade in services under Supplement X will come into force on 1 January 2014.	
Date of notification to the WTO	Since 2012 IAP Update, changes made are as follows: Parties to CEPA notified WTO of Supplements VIII, IX and X in March 2012, September 2012 and November 2013 respectively.	
General provisions	Please refer to the CEPA texts for the general provisions.	
Institutional framework and dispute settlement	A Joint Steering Committee has been set up to supervise the implementation of CEPA and to resolve disputes that may arise during its implementation.	
Provisions relating to treatment of goods	Please refer to the CEPA texts for the relevant provisions on trade in goods. The arrangements for implementation of zero import tariffs on trade in goods are set out in Annex 1 to CEPA as amended by Part I in Supplement II to CEPA. The general principles of the rules of origin for goods eligible for CEPA are set out in Annex 2 to CEPA as amended by Part I in Supplement VIII to CEPA. The procedures for the issuance and verification of Certificates of Origin under CEPA are set out in Annex 3 to CEPA.	
Product coverage	Since 2012 IAP Update, changes made are as follows: As at 1 December 2013, HKC and China has reached agreement on the CEPA rules of origin (ROO) for products covered by 1,777 China's 2013 tariff codes, which include pharmaceutical products, plastics and plastic articles, textiles and clothing, food and beverages, base metal products, chemical products, etc.	
Rules of origin	Since 2012 IAP Update, changes made are as follows: The majority of the CEPA ROO follow process-based rules of origin, while others follow either "change in tariff heading", "value-added content", or rules having regard to characteristics of the products concerned. Details of origin criteria of the goods can be found at the following web site: http://www.tid.gov.hk/english/cepa/tradegoods/rules-origin.html .	
Provisions relating to treatment of services, investment and government procurement	Since 2012 IAP Update, changes made are as follows: The updated content and timetable for the reduction or elimination of discriminatory measures against services and service suppliers of the other side are set out in Annex to Supplement IX and Annex to Supplement X.	

Agreement #1		
Mainland and Hong Kong	Closer Economic Partnership Arrangement (CEPA)	
Services coverage	Since 2012 IAP Update, changes made are as follows:	
	Supplement X to CEPA provides for a total of 73 services liberalisation and trade and investment facilitation measures, which include 65 liberalisation measures for trade in services, and eight measures to strengthen cooperation in areas of finance and facilitate trade and investment of the two places. Inclusive of the measures in Supplement X, there are 403 liberalisation measures for trade in services under CEPA.	
Trade Facilitation provisions (SPS, TBT, mutual recognition, customs cooperation, e-commerce, etc.)	Regarding trade and investment facilitation, CEPA provides for co-operation in the following ten areas: trade and investment promotion; customs clearance facilitation; commodity inspection and quarantine, food safety, quality and standardization; electronic business; transparency in laws and regulations; co-operation of small and medium enterprises; co-operation in industries; protection of intellectual property; co-operation on branding; and co-operation on education.	
Treatment of other issues (competition, intellectual property, labour, environment, etc).	CEPA does not include specific provisions on the named subjects.	
Other	N/A	
Changes in 2012 and 2013	Since 2012 IAP Update, changes made are as follows: Supplements IX to CEPA were signed on 29 June 2012 and liberalisation measures of trade in services came into full implementation on 1 January 2013. Supplement X to CEPA was signed on 29 August 2013.	
Expected changes in 2014	Since 2012 IAP Update, changes made are as follows: Measures relating to liberalisation of trade in services under Supplement X will be effective from 1 January 2014.	

Hong Kong, China - New Zealand Closer Economic Partnership Agreement		
Background (membership, date of entry into force, type of agreement)	Hong Kong, China and New Zealand signed the Hong Kong, China – New Zealand Closer Economic Partnership Agreement (CEP Agreement) on 29 March 2010. Entering into force on 1 January 2011, the CEP Agreement is a comprehensive and high quality free trade agreement that is fully consistent with the rules of the World Trade Organization (WTO). It comprises trade liberalisation measures on both trade in goods and services.	
	An introduction to the CEP Agreement is at the following web site:	
	http://www.tid.gov.hk/english/trade_relations/hknzcep/index.html	
	The full text of the CEP Agreement is available at the following web site:	
	http://www.tid.gov.hk/english/trade_relations/hknzcep/text_agreement.html	
Date of notification to the WTO	Parties to the CEP Agreement notified the WTO of the CEP Agreement on 3 January 2011. The WTO Committee on Regional Trade Agreements considered the CEP Agreement on 20-21 March 2012.	
General provisions	Chapter 1 of the CEP Agreement establishes the Free Trade Area and sets out the objectives of the Agreement. Chapter 2 gives the general definitions and interpretations.	
Institutional framework and dispute settlement	Chapter 17 of the CEP Agreement requires the establishment of a Joint Commission (JC) to oversee the implementation of the CEP Agreement and to review the general functioning of the CEP Agreement.	
	Chapter 16 of the CEP Agreement provides the process for consultations and the settlement of disputes arising under the CEP Agreement.	
Provisions relating to treatment of goods	Chapter 3 of the CEP Agreement sets out provisions regarding trade in goods. Parties to the CEP Agreement have committed to elimination of tariffs on all products from the other Party.	
	Over 91% of New Zealand's tariff lines has become duty free for Hong Kong, China's originating products by 2013. All import tariffs will be phased out in a six-year period, i.e. by 2016.	
	Hong Kong, China has committed to binding the provision of tariff free access to all New Zealand originating products upon the entry into force of the CEP Agreement.	
	Tariff schedules of the Parties are set out in Annex I to Chapter 3 of the CEP Agreement.	
	Parties has committed under Article 5 of Chapter 3 to the CEP Agreement to not applying non-tariff measures inconsistent with WTO rules.	
	Under Chapter 6 of the CEP Agreement, Parties agree to prohibit the use of export subsidy on all products in the bilateral trade. Originating products of the other Party will not be subject to safeguard actions by each other, if such products are not a cause of or a threat to cause serious injury to the domestic industry.	

Agreement #2		
Hong Kong, China - New Zealand Closer Economic Partnership Agreement		
	Provisions are also in place to enhance the transparency on the use of anti- dumping measures.	
Product coverage	Hong Kong, China applies zero tariff to all imported goods of New Zealand origin. New Zealand will phase out import tariffs on all Hong Kong, China's originating products within six years upon the entry into force of the CEP Agreement.	
Rules of origin	Provisions concerning rules of origin are set out in Chapter 4 of the CEP Agreement.	
	Goods eligible for CEP Agreement should be (a) wholly obtained or produced in the Area of a Party, (b) produced entirely in the Area of one or both Parties exclusively from materials originating from one or both Parties or (c) produced in the Area of one or both Parties using non-originating materials that conform to a change in tariff classification requirement, a regional value content requirement (as provided for in Article 5 of Chapter 4) or other requirements as specified in Annex I to Chapter 4. Article 2 of Chapter 4 also requires the good to meet the other applicable provisions of the chapter.	
	Product-specific rules of origin are set out in Annex 1 to Chapter 4 of the CEP Agreement.	
Provisions relating to treatment of services, investment and government procurement	Please refer to Chapters 12 and 13 of the CEP Agreement for the relevant provisions on government procurement and services respectively. Parties to the CEP Agreement have agreed to negotiate an Investment Protocol to the CEP Agreement. Negotiations are underway.	
Services coverage	The CEP Agreement covers a comprehensive and diverse scope of service sectors, ranging from business and professional services, communication services, financial services and transport services to construction and related engineering services, distribution services, educational services, environmental services, health and social services, tourism and travel related services, as well as recreational, cultural and sporting services. Details of the liberalisation measures are set out in the Annexes to Chapter 13 of the CEP Agreement. The CEP Agreement includes commitments in respect of movement of business persons. Details of the commitments are set out in Annex I to Chapter 14 of the CEP Agreement.	
Trade Facilitation provisions (SPS, TBT, mutual recognition, customs cooperation, e-commerce, etc.)	Regarding trade facilitation, the CEP Agreement provides for co-operation in the following areas: customs procedures (Chapter 5); sanitary and phytosanitary measures (Chapter 7); technical barriers to trade (Chapter 8); electronic commerce (Chapter 10); and transparency in law and regulations (Chapter 15).	
Treatment of other issues (competition, intellectual property, labour, environment, etc).	The CEP Agreement includes specific provisions on the promotion of competition (Chapter 9) and the promotion of the effective protection and enforcement of intellectual property rights (Chapter 11). The CEP Agreement does not include specific provisions on labour and	
	environment. Parties to the CEP Agreement have concluded the Hong Kong,	

Agreement #2 Hong Kong, China - New Zealand Closer Economic Partnership Agreement		
3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3	China - New Zealand Environment Cooperation Agreement and the Memorandum of Understanding on Labour Cooperation between Hong Kong, China and New Zealand separately from but alongside the CEP Agreement.	
Other	Parties to the CEP Agreement signed the Arrangement on Education Cooperation on 13 October 2011 to help build and strengthen the education relationship between the two places, as provided for in Annex IV to Chapter 13 of the CEP Agreement.	
Changes in 2012 and 2013	In accordance with Chapter 17 of the CEP Agreement, the JC has been established to oversee the implementation of the Agreement and to review the general functioning of the Agreement. The first and second JC meetings were held in March 2012 and June 2013 respectively.	
	Chapter 17 of the CEP Agreement requires the Parties to undertake a general review at ministerial level of the Agreement, including of matters relating to liberalisation, cooperation and trade facilitation, within two years of its entry into force and at least every three years thereafter. The Parties agreed at the first JC meeting to conduct a general review of the CEP Agreement covering the years of 2011 and 2012. The review is underway.	
Expected changes in 2014	Parties to the CEP Agreement is conducting a general review of the Agreement. Changes, if any, to the CEP Agreement may be considered upon completion of the review.	

Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association

Association	
Background (membership, date of entry into force, type of agreement)	Hong Kong, China and the Member States of the European Free Trade Association (EFTA States) namely Iceland, Liechtenstein, Norway and Switzerland, signed a comprehensive Free Trade Agreement (the Agreement) on 21 June 2011. This is Hong Kong, China's first free trade agreement with European economies. The Agreement entered into force between Hong Kong, China; Iceland; Liechtenstein and Switzerland on 1 October 2012; as well as between Hong Kong, China and Norway on 1 November 2012. An introduction to the Agreement is accessible via the following web-site: http://www.tid.gov.hk/english/trade_relations/hkefta/text_agreement.html The full text of the Agreement is accessible via the following web-site: http://www.tid.gov.hk/english/trade_relations/hkefta/text_agreement.html
Date of notification to the WTO	Parties to the Agreement notified WTO of the Agreement on 27 September 2012. The Agreement was considered by the WTO Committee on Regional Trade Agreements during the latter's 70 th session held on 17- 18 September 2013.
General provisions	Please refer to the Agreement text for the general provisions.
Institutional framework	A Joint Committee has been established to supervise the implementation of the Agreement.
Provisions relating to trade in goods	Under the Agreement, all industrial products as well as fish and certain marine products of Hong Kong, China origin can enjoy duty-free entry into the EFTA states. Tariff-free or tariff concessions are accorded to Hong Kong, China's processed agricultural products by the EFTA states. For products originating in the EFTA states, Hong Kong, China commits to binding its current tariff-free regime.
Rules of origin	A set of preferential rules of origin has been formulated for the purpose of claiming preferential tariff treatment in accordance with the Agreement. Under the Agreement, the origin of different products may be determined by either "process-based" rules or "value-based" ones.

Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association

Provisions relating to trade in services

The Agreement covers a comprehensive scope of service sectors, ranging from business and professional services, communication services, financial services and transport services to construction and related engineering services, distribution services, educational services, environmental services, health and social services, tourism and travel related services, as well as recreational, cultural and sporting services. In terms of market access, service providers of Hong Kong, China and the EFTA States will enjoy under the Agreement preferential opportunities in terms of legal certainty for market access, national treatment and most-favoured-nation (MFN) treatment for the supply of a comprehensive range of services in each other's markets.

The four modes of supply of services are covered, including commercial presence and movement of natural persons.

The Agreement also contains disciplines on domestic regulation to ensure that measures affecting trade in services are transparent and administered in a reasonable, objective and impartial manner, as well as specific provisions to further facilitate trade of Hong Kong, China and the EFTA States in financial services and telecommunications services.

Provisions relating to investment

The Agreement provides investors in non-service sectors with legal certainty on national treatment, facilitates their temporary entry and stay in Hong Kong, China and the EFTA states, and provides them with safeguards on movement of capital and other aspects.

Treatment of other major areas

Apart from trade in services and goods as well as investment, the Agreement contains a wide range of measures which seek to facilitate bilateral trade between Hong Kong, China and the EFTA States, as well as to create a more transparent and predictable business environment. They provide for:

- elimination of the use of anti-dumping measures;
- restriction of the application of countervailing and safeguard measures;
- enhanced communication and cooperation on technical barriers to trade and sanitary and phytosanitary measures;
- more efficient release of goods through simplification of customs formalities and documentation;
- promotion of competition;
- effective protection of intellectual property rights;
- facilitation of access to each other's government procurement market; and
- promotion of environmental protection through trade initiatives.

The Agreement also provides for an effective, efficient and transparent process for consultations and settlement of possible disputes arising thereunder.

Free Trade Agreement Between Hong Kong, China and Chile

Background (membership, date of entry into force, type of agreement)

Hong Kong, China and Chile signed a Free Trade Agreement (the Agreement) on 7 September 2012. The Agreement shall enter into force 60 days after the date of the last notification by which Hong Kong, China and Chile inform each other that the necessary domestic legal procedures have been completed, or on such other date as may be agreed by both parties.

An introduction to the Agreement is accessible via the following web-site: http://www.tid.gov.hk/english/trade_relations/hkclfta/index.html

The full text of the Agreement is accessible via the following web-site: http://www.tid.gov.hk/english/trade_relations/hkclfta/text_agreement.html

Date of notification to the WTO

To be notified.

General provisions

Please refer to the Agreement text for the general provisions.

Institutional framework and dispute settlement

A Free Trade Commission will be established to supervise the implementation of the Agreement.

Process for consultations and settlement of disputes arising under the Agreement are stipulated in Chapter 17 of the Agreement.

Provisions relating to trade in goods

Chapter 3 of the Agreement sets out provisions relating to trade in goods. Among other commitments, parties to the Agreement have committed to elimination of tariffs. For goods originating in Hong Kong, China, Chile will abolish import tariffs on around 88 per cent of its tariff lines upon the entry into force of the Agreement. Chile will phase out its import tariffs on an additional 10 per cent over three years. The remaining 2 per cent, comprising, for example, cereals, sugars, articles of iron or steel, will continue to be subject to import tariff because of domestic sensitivity in Chile. On the other hand, Hong Kong, China commits to binding its current tariff-free regime for all products originating in Chile once the Agreement takes effect.

Apart from tariff measures, in accordance with Chapters 6 and 7 of the Agreement, Hong Kong, China and Chile will co-operate in the areas of sanitary and phytosanitary measures and technical barriers to trade, with the objective of reducing trade barriers and facilitating bilateral trade as far as possible.

The Agreement also contains measures to enhance the transparency and procedural rules of the anti-dumping, countervailing and safeguard investigations, as set out in Chapter 8 of the Agreement.

Agreement #4		
Free Trade Agreement Between Hong Kong, China and Chile		
Rules of origin	A set of preferential rules of origin has been formulated for the purpose of claiming preferential tariff treatment in accordance with the Agreement. Under Chapter 4 of the Agreement, a good qualifies as an originating good if it (a) is wholly obtained or produced in the Area of a Party as provided for in Article 4.4; (b) is produced entirely in the Area of one or both Parties exclusively from originating materials from one or both Parties; or (c) is produced in the Area of one or both Parties using non-originating materials that conform to a change in tariff classification requirement, a regional value content requirement (as provided for in Article 4.5) or other requirements as specified in Annex 4.2 (i.e. the Product Specific Rules of Origin). The good also needs to meet the other applicable provisions of Chapter 4.	
Provisions relating to trade in services	The Agreement covers a comprehensive and diverse scope of service sectors, ranging from business and professional services, communication services, construction and related engineering services, distribution services, environmental services, financial services, tourism and travel related services, recreational, cultural and sporting services, as well as transport services. Services and service providers of Hong Kong, China and Chile will enjoy under the Agreement legal certainty in market access and national treatment for a comprehensive range of services. The Agreement also contains provisions to improve transparency of domestic regulations and ensure that they do not constitute unnecessary barriers to trade in services. Details of the services provisions as well as the specific commitments of the two sides are set out in Chapter 11 of the Agreement and its Annexes respectively. The Agreement also includes specific provisions and commitments to further facilitate trade of Hong Kong, China and Chile in financial services, as set out in Chapter 12 and its Annexes of the Agreement.	
Provisions relating to investment	The Agreement provides investors of both sides with legal certainity on national treatment in respect of their investments in specified non-services sectors. The two sides have agreed to negotiate a separate, comprehensive agreement on investment upon the entry into force of the Agreement.	
Treatment of other major areas	The Agreement also contains provisions to promote competition, facilitate access to each other's government procurement market, enhance co-coperation in customs procedures, and protect the environment.	