



本署檔案 Our Ref. : (61) in C&E ODCA LPD/4-5/4

來函檔號 Your Ref. :

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27 February 2008

Dear Sir / Madam,

**Control on Zero-rated Goods**  
**under the Dutiable Commodities Ordinance**

In the 2008-09 Budget, it has been proposed that the duty on wine and liquor with an alcoholic strength of 30% or below by volume measured at 20°C is to be changed to 0% of the value of the goods. Pending the enactment of the necessary legislation, such proposed reduction has been given immediate effect by an order made under the Public Revenue Protection Ordinance. In the meantime, with effect from 1100 hours on 27.2.2008, the rate of duty on the following goods will be changed to 0% of the value of the goods (referred to as zero-rated goods hereunder) :

- (a) wine; and
- (b) liquor (other than wine) with an alcoholic strength of 30% or below by volume measured at 20°C.

Please be advised that all the current licence and permit requirements governing dutiable goods will continue to be applicable to zero-rated goods. This means, permits will be required to cover the movement of zero-rated goods within Hong Kong or for export, and the procedures for application also remain unchanged.

For a permit to cover the release of zero-rated goods to the local market, this Department will issue a Removal Permit for Duty-paid Goods to the applicant, with an endorsement that the duty on the goods is 0% of the value of the goods. Such endorsement will have the effect of making the goods duty-paid goods for the purposes of the Dutiable Commodities Ordinance.

If the Legislative Council does not approve the zero duty proposal, the underpayment of duty by virtue of the above rate reduction shall have to be recovered. In such case, the recovery of duty will apply to zero-rated goods with which a Removal Permit for Duty-paid Goods is issued. For zero-rated goods that are for export, you are required to let this Department keep track of their whereabouts as evidence of the export by, for example, applying for a removal permit to cover each removal from warehouse to warehouse within Hong Kong, and applying for an export permit for the ultimate export.

For details on the control arrangements on zero-rated goods, please refer to this Department's website at [http://www.customs.gov.hk/eng/major\\_dutiable\\_dc\\_e.html](http://www.customs.gov.hk/eng/major_dutiable_dc_e.html) or telephone the Licence and Permit Division of the Office of Dutiable Commodities Administration at 2852 3049.

Yours faithfully,

( K C Kwok )

for Commissioner of Customs and Excise