

Free Trade Agreement Transshipment Facilitation Scheme

(the FTA Scheme)

Briefing Notes

I. Free Trade Agreement

The Mainland has been proactive in establishing Free Trade Agreements (FTAs) and Preferential Trade Agreements with different countries and regions in recent years. It is stipulated in the FTAs and Preferential Trade Agreements that consignments routed through a third place can also be regarded as direct consignments/transport and are qualified to apply for tariff reduction under certain circumstances, in particular, if they remain under the control of Customs or designated authorities in the third place.

II. Free Trade Agreement Transshipment Facilitation Scheme

To further enrich the facilitation services provided under the Economic Cooperation Framework Agreement (ECFA) and to facilitate more transshipment cargo in Hong Kong to be qualified for preferential tariff, the Customs and Excise Department (C&ED) has launched the Free Trade Agreement Transshipment Facilitation Scheme (the FTA Scheme) since 20 December 2015. This voluntary scheme provides traders with Customs supervision service and issues “Certificate of Non-manipulation” to certify transshipment cargo that have not been undergone any further processing during their stay in Hong Kong.

III. Scope of Service

Coverage of the FTA Scheme has been extended from the Economic Cooperation Framework Agreement to other 14 FTAs and Preferential Trade Agreements signed by the Mainland.

The FTA Scheme covers transshipment cargo in Hong Kong heading for **the Mainland** under the following agreements:

- (1) Economic Cooperation Framework Agreement between the Mainland and Taiwan

- (2) The China-Korea Free Trade Agreement
- (3) The China-Australia Free Trade Agreement
- (4) Framework Agreement on Comprehensive Economic Co-operation between the Association of South East Asian Nations and the People's Republic of China
- (5) The China-Pakistan Free Trade Agreement
- (6) The China-Singapore Free Trade Agreement
- (7) The China-Iceland Free Trade Agreement
- (8) The China-Switzerland Free Trade Agreement
- (9) The China-Chile Free Trade Agreement
- (10) The China-Costa Rica Free Trade Agreement
- (11) The China-Peru Free Trade Agreement
- (12) The China-New Zealand Free Trade Agreement
- (13) The Asia-Pacific Trade Agreement
- (14) The China-Georgia Free Trade Agreement
- (15) Special Preferential Tariff Treatment to the Least Developed Countries

The FTA Scheme and Preferential Trade Agreement also covers transshipment cargo in Hong Kong heading for **Taiwan, Korea(Note) and Australia** under the following agreements:

- (1) Economic Cooperation Framework Agreement between the Mainland and Taiwan
- (2) The China-Korea Free Trade Agreement
- (3) The China-Australia Free Trade Agreement
- (4) The Asia-Pacific Trade Agreement

Note: Korea Customs Service accepts traders to use the "Certificate of Non-manipulation" issued by C&ED to apply for preferential tariff under either the Asia-Pacific Trade Agreement or the China-Korea Free Trade Agreement.

Traders should pay attention to the requirements concerning transshipment cargo could be regarded as direct consignments under respective FTAs and Preferential Trade Agreements, e.g. maximum period of stay in third party, cargo storage and processing arrangements etc. For details of the requirements of related FTA and Preferential Trade Agreement, please visit the website of the China Free Trade Agreement Network by the Mainland Ministry of Commerce –

<http://fta.mofcom.gov.cn/english/index.shtml>

<http://tga.mofcom.gov.cn/>

Under different agreements, the maximum period of stay in the third place may vary and a summary is provided here under (the information provided by related FTA prevails) -

	FTAs	Maximum Transshipment Period
1	Economic Cooperation Framework Agreement	60 days
2	The China-Korea Free Trade Agreement	3 months
3	The China-Australia Free Trade Agreement	12 months
4	Framework Agreement on Comprehensive Economic Co-operation between the Association of South East Asian Nations and the People’s Republic of China	-
5	The China-Pakistan Free Trade Agreement	-
6	The China-Singapore Free Trade Agreement	3 months
7	The China-Iceland Free Trade Agreement	-
8	The China-Switzerland Free Trade Agreement	-
9	The China-Chile Free Trade Agreement	3 months
10	The China-Costa Rica Free Trade Agreement	3 months
11	The China-Peru Free Trade Agreement	3 months

12	The China-New Zealand Free Trade Agreement	6 months
13	The Asia-Pacific Trade Agreement	-
14	The China-Georgia Free Trade Agreement	3 months
15	Special Preferential Tariff Treatment to the Least Developed Countries	6 months

IV. Principle of Application [Summary Table at Annex]

The requirements of transshipment cargo via Hong Kong by the Mainland and relevant signatory countries/regions are as follows:

(A) Transshipment Cargo via Hong Kong to the Mainland

1. If consignees or their agents (Importers) can provide the Mainland Customs with the following transportation documents when applying for convention tariff or preferential rate, the Mainland Customs will not require importers to provide the “Certificate of Non-manipulation” issued by C&ED or China Inspection Co. Ltd. (CIC Ltd.):
 - (a) For transshipment cargo via Hong Kong by air or sea - The single through bill of lading issued by international liner transportation operators and their trusted agents¹, civil aviation transportation enterprises, international express enterprises. The departure point, which is within the boundary of the country of origin (region) and the destination point which is within the boundary of the Mainland, should be displayed on the same page of the single through bill of lading;
 - (b) For containerized cargo under the FTAs (e.g. ECFA and The China-Korea Free Trade Agreement) of which the electronic data of country of origin could be exchanged - Through bills of lading which can prove that the container number and seal number are remain unchanged during their whole transportation journey.

¹ The Mainland Customs may request to present the “Certificate of Non-manipulation” even though cargoes are covered by single through bill of lading issued by trusted agents.

2. If the above two requirements could not be fulfilled, importers are required to observe the following requirements to provide “Certificate of Non-manipulation”:
 - (a) For both containerized and bulk cargoes, which are required to have inspection and quarantine by the CIC Ltd. during their stay in Hong Kong, importer is required to submit a “Certificate of Non-manipulation” issued by the CIC Ltd.
 - (b) For containerized cargo which is unsealed not owing to the inspection and quarantine conducted by the CIC Ltd. and bulk cargo requiring no inspection and quarantine during their transshipment stay in Hong Kong, importer is required to submit a “Certificate of Non-manipulation” issued by C&ED.
 - (c) For containerized cargo remained intact during their transshipment stay in Hong Kong, importer is required to submit a “Certificate of Non-manipulation” issued by either C&ED or CIC Ltd.
3. When submission of "Non-manipulation Certificate" to the Mainland Customs is required, importers are required to specify “Certificate of Non-manipulation” and the Certificate Number when making import declaration to the Mainland Customs.

[Remarks: For goods requiring inspection and quarantine, please contact CIC Ltd. for details.]

For related announcement by the Mainland Customs, please refer to the following website :

<http://www.customs.gov.cn/customs/302249/302266/302267/630727/index.html>

(B) Transshipment Cargo via Hong Kong to Taiwan

1. Trader is required to submit a “Certificate of Non-manipulation” issued by C&ED for all transshipment cargo via Hong Kong to Taiwan under the ECFA.

(C) Transshipment Cargo via Hong Kong to Korea

1. Bulk cargo, if a single through bill of lading cannot be provided and storage is required during their transshipment stay in Hong Kong (except those cargo stored at recognized locations² for less than seven days), a “Certificate of Non-manipulation” issued by C&ED is required.

² Kwai Tsing 1-9 Container Terminals, Tuen Mun River Trade Terminal, Super Terminal One, The Hong Kong International Airport Express Centre, Cathay Pacific Cargo Terminal, Asia Airfreight Terminal, DHL Central Asia Hub.

2. Containerized cargo, which is unsealed causing to the change of container number or seal number during their transshipment stay in Hong Kong, and bulk cargo which require cargo consolidation / vanning / devanning / repacking in Hong Kong, a “Certificate of Non-manipulation” issued by C&ED is required.

(D) Transshipment Cargo via Hong Kong to Australia

1. For transshipment cargo via Hong Kong to Australia, traders are not necessary to apply for a “Certificate of Non-manipulation” issued by C&ED.
2. When transshipment cargo via Hong Kong arrives Australia, traders can directly apply for preferential tariff from the Australian Customs with supporting document.

For related announcement by the Department of Foreign Affairs and Trade of Australian, please refer to the following website:

<https://www.border.gov.au/Lega/Lega/Form/Immi-FAQs/goods-transhipped-to-hong-kong-for-ChAFTA>

V. Application Methods

Method 1: Application should be submitted to C&ED at least one calendar day before the arrival of the consignment by completing the application form and providing the supporting documents required. The application form and supporting documents can be submitted through email.

Method 2: Application should be submitted to C&ED at least one calendar day before the arrival of the consignment by submitting the electronic application and providing the supporting documents required through the Trade Single Window (TSW).

Based on the mode of transportation and the processing required, C&ED will calculate the fee and issue a General Demand Note to the Applicant or the Applicant settles the fee online. After payment of the fee by the applicant, C&ED will process the application and provide supervision services (if applicable). Upon completion of application processing, a “Certificate of Non-manipulation”³ will be issued to the Applicant. The importing

³ The Mainland Customs may require traders to provide original copy of “Certificate of Non-manipulation” to apply for preferential tariff.

signatory countries/region can check the consignments against the information provided on the “Certificate of Non-manipulation” issued by C&ED when considering an application for preferential tariff. Trader has the responsibility to provide the importing signatory countries/region with the “Certificate of Non-manipulation” or documents supporting their eligibility to apply for preferential tariff.

VI. Supporting Document required for Application

- a. The through bill of lading of the cargo concerned;
- b. Certificate of Origin of the cargo concerned;
- c. Packing list (only applicable to bulk cargo or cargo that needs to be consolidated /vanning / devanning / repacking in HK);
- d. Authorization Letter of the cargo owner (if applicable); and
- e. Other relevant supporting document (if applicable).

VII. Fees (The Service fees payable under the Free Trade Agreement Transshipment Facilitation Scheme are waived for one year with effect from 1 October 2020.)

All applications of the FTA Scheme are required to pay for Category D of the following table for documentation processing. For cargo that needs to be consolidated or repacked in Hong Kong, additional fee is required based on different modes of transport and processing methods under Categories A to C as follows:

Category	Mode of Transport	Processing Method	Fee (HK\$)
A	Consignment arriving by Air/Land/Sea	Cargo consolidation (vanning/devanning)	625
B	Consignment arriving by Air	Cargo consolidation (repacking or others)	910
C	Consignment arriving by Land/Sea	Cargo consolidation (repacking or others)	1,470
D	Consignment arriving by Air/Land/Sea	Documentary processing	155

Remarks: For Categories A to C, the above standard fees will be charged on the basis of a continuous service not exceeding 8 hours on each occasion. A standard fee will be charged again if a continuous service exceeds 8 hours.

VIII. Payment method

The applicant may choose one of the following methods to settle payment and get a payment receipt:

1. Pay by cash or cheque at Kwai Chung Customhouse or Customs Command Centre, HACTL Super Terminal 1, Hong Kong International Airport;
2. Pay at any office of the Hongkong Post (except mobile post office);
3. Pay at convenience stores specified in the General Demand Note;
4. At any automated teller machine, i.e. ATM (with the label of “Payment Service” or “JETCO”);
5. Through e-banking;
6. Through Payment by Phone Service, i.e. PPS by Internet (Merchant Code: 9174) ;
or
7. Online payment via TSW.

- Remarks:
- (1) The payment receipt should be submitted to C&ED through email as soon as possible to facilitate further processing of application (except online payment via TSW).
 - (2) Fees are non-refundable after payment.
 - (3) The applicant must present concerned supporting document for collection of Certificate of Non-manipulation.

IX. Submission of application

Method 1. Email : fta_china_application@customs.gov.hk (for transshipment cargo to the Mainland)
fta_others_application@customs.gov.hk (for transshipment cargo to Taiwan and Korea)

Method 2. Website: www.tradesinglewindow.hk

X. Enquiry

Tel : (852) 3152 0233

Office hours : 0900 – 1700 hrs, Mon – Sat (including public holidays)

Email : fta_enquiry@customs.gov.hk

Website: http://www.customs.gov.hk/en/trade_facilitation/fta/index.html

Customs and Excise Department

1st October 2020

申請原則 Principle of Application

海峽兩岸經濟合作框架協議 (ECFA),
 中國-韓國自由貿易協定 The China-Korea Free Trade Agreement &
 亞太貿易協定 (往韓國) The Asia-Pacific Trade Agreement (To Korea)

		往中國內地 ^{4,5} To Mainland China ^{4,5}	往台灣 To Taiwan	往韓國 To Korea		
可出示單份全程運輸提單 ¹ Able to provide single through bill of lading ¹	I	集裝箱運輸及散裝貨物 Containerized Cargo & Bulk Cargo	X	✓	X	
未能出示 單份全程運輸提單 Not able to provide single through bill of lading	II	集裝箱運輸貨物 ² Containerized Cargo ²	X	✓	X	
	III	散裝貨物 ³ Bulk Cargo ³	✓		沒有在香港儲存 Without storage	X
					在指定地方作短暫儲存 ⁶ With temporary storage at recognized locations in HK ⁶	X
在香港儲存 With storage in HK	✓					
在港拆併或重新包裝 Cargo consolidation / vanning / devanning / repacking in HK	IV	集裝箱運輸及散裝貨物 Containerized Cargo & Bulk Cargo	✓ + 海關監管 + Customs supervision	✓ + 海關監管 + Customs supervision	✓ + 海關監管 + Customs supervision	

其他自由貿易協定及特別優惠關稅待遇措施
 Other FTAs and Preferential Trade Agreement

		往中國內地 ^{4,5} To Mainland China ^{4,5}	往澳洲 ⁷ To Australia ⁷
可出示單份全程運輸提單 ¹ Able to provide single through bill of lading ¹	I	集裝箱運輸及散裝貨物 Containerized Cargo & Bulk Cargo	X
未能出示單份全程運輸提單 Not able to provide single through bill of lading	II	集裝箱運輸貨物 ² Containerized Cargo ²	X
	III	散裝貨物 ³ Bulk Cargo ³	
在港拆併或重新包裝 Cargo consolidation / vanning / devanning / repacking in HK	IV	集裝箱運輸及散裝貨物 Containerized Cargo & Bulk Cargo	X

✓ 需要申請 Application is required X 不需要申請 Application is not required

備註 (Remarks)

1. 單份全程運輸提單為於同一份提單上載有貨物詳細資料的運輸單證(包括空運提單)，包括運輸安排、始發及目的地/港口、貨物名稱、數量及重量。The Single Through Bill of Lading means a bill of lading (including Air Waybill) issued with detailed information of the shipment including transportation details, port/place of departure and destination, description and quantity of the cargo, etc. showing on a single set of bills of lading.
2. 可提交能夠證明貨物在運輸過程中集裝箱箱號、封條號碼未發生變動的全程運輸提單。 Able to provide Through Bills of Lading which can prove that the container number and seal number of the container remain unchanged during its whole transportation journey.
3. 可提交能夠證明貨物在運輸過程中貨物名稱、數量及重量未發生變動的全程運輸提單。 Able to provide Through Bills of Lading which can prove that the description of goods, number of packages and weight remain unchanged during its whole transportation journey.
4. (如適用) 進口人應當在向內地海關進口申報時在相關進口報關單備註欄填寫“中轉確認書”字樣及「中轉確認書」的號碼。(If applicable) Upon submission of Import Declaration to Mainland Customs, the importers have to specify “Certificate of Non-manipulation” and the Certificate Number.
5. 經香港中轉往內地所有需進行預檢驗的貨物(包括集裝箱運輸及散裝貨物)，應當向中國檢驗有限公司申請「中轉確認書」。 For all containerized and bulk cargo, which are required to have inspection and quarantine by the CIC Ltd. during their stay in Hong Kong, trader is required to apply the “Certificate of Non-manipulation” from the CIC Ltd. direct.
6. 於認可存倉地點(葵青1號至9號貨櫃碼頭、屯門內河碼頭、超級一號貨站、香港國際機場速遞中心、國泰航空貨運站、亞洲空運中心、敦豪中亞樞紐中心)儲存不多於七天。 Storage at recognized locations (Kwai Tsing 1-9 Container Terminals, Tuen Mun River Trade Terminal, Super Terminal One, The Hong Kong International Airport Express Centre, Cathay Pacific Cargo Terminal, Asia Airfreight Terminal, DHL Central Asia Hub) for not more than seven days.
7. 澳洲海關接受貿易商直接向澳洲申請關稅優惠而無須向香港海關申請確認書。 Australian Customs accepts traders to apply for preferential tariff without applying Certificate of Non-manipulation from the C&ED.
8. 貿易商有責任向進口締約國/地區提交「中轉確認書」或其它證明其可享有關關稅優惠資格的證明文件。 Trader has the responsibility to provide the Certificate of Non-manipulation or supporting documents to the importing signatory country/region to prove their eligibility for preferential tariff.
9. 香港海關在其他清關環節有機會查驗本來無須申請「中轉確認書」的貨物。如在查驗後收到企業申請的要求，香港海關可在審查申請後簽發「中轉確認書」。 In the course of Customs clearance, transshipment cargo, which originally needs not to apply for “Certificate of Non-manipulation”, may be selected by C&ED for examination. Upon receiving application by traders after examination, C&ED may issue a “Certificate of Non-manipulation” after vetting the application.