

## Frequently Asked Questions

### Trade in Goods

#### *General*

#### **1. How will CEPA help the manufacturing sector in HK?**

CEPA offers new business opportunities to the HK manufacturing sector. The tariff-free preference can help increase the competitiveness of HK goods in the Mainland market, compared with goods imported from other places.

Local, Mainland and overseas investors may set up new manufacturing operations in Hong Kong so that the products may qualify for the CEPA origin rules and enjoy zero tariff in the Mainland market. CEPA attracts investors to manufacture brand name goods with recognition in the Mainland, goods with high value added content or substantial intellectual property input (taking advantage of HK's legal system and protection of IP regime), and products subject to high tariffs in the Mainland, thus taking advantage of the tariff-free preference under CEPA.

#### **2. Can new investors of local manufacturing industry enjoy zero tariff under the CEPA? Do they have to meet the definition of Hong Kong companies in CEPA Annex 5?**

The requirements for Hong Kong service providers in Annex 5 are only applicable to trade in services but not trade in goods. New manufacturers can also enjoy the zero tariff benefit under CEPA, provided that the goods they produce can meet the CEPA rules of origin.

#### **3. What are the import formalities and procedures for the products under CEPA?**

Hong Kong manufacturers should apply for a Certificate of Hong Kong origin – CEPA (“CO(CEPA)”). An approved CO(CEPA) should be passed to the Mainland importer. When lodging the import declaration, the importer should produce the CO(CEPA) to the Mainland customs authorities for claiming tariff preference. Other normal formalities and procedures for importation of products into the Mainland remain the same.