



## New Fee Structure for the Textiles Trader Registration Scheme

### Q & As

#### I. General Matters

##### *Q.1 When will the new fee structure be implemented?*

A.1 The new TTRS fee structure will take effect from **25 June 2007**. Details are set out in Textiles Trader Registration Circular No. 4/2007 issued on 16 May 2007, which is available at TID's website: <http://www.tid.gov.hk/english/aboutus/tradecircular/ttrc/2007/ttrc042007.html>.

##### *Q.2 How can my company benefit from the new fee structure?*

A.2 Majority of TTRS registrants should be able to achieve savings under the new fee structure as the annual registration fee will be reduced from \$2,825 to \$718, representing a significant reduction of 75%.

The cost for traders to lodge an electronic notification remains the same at \$0.5 per notification (being the message fee charged by Tradelink. The Government will not charge any fee for electronic notification). Hence, if traders lodge all notifications in electronic mode, they will pay less irrespective of their transaction volume.

Apart from the financial incentive provided under the new fee structure, traders could also enjoy the various benefits derived from the use of electronic service such as efficiency in trade documentation.

#### II. Fresh Registration

##### *Q.3 Until what date will applications for new registration under the existing fee structure be accepted?*

A.3 Applications **received by the Department** on or before the last working day prior to 25 June 2007 (i.e. on or before 22 June 2007) will be processed under the existing fee structure (\$2,825), provided that the application has been properly completed and sufficient supporting documents have been provided. It will be in the interest of textiles traders to ensure that their applications will reach TID in good time, preferably before 20 June 2007, to allow sufficient time for the Department to process their applications. All fresh registrations made under the existing fee structure will switch to the new fee structure in the next renewal.

##### *Q.4 When should the TTR application be lodged if textiles trader wish to join the new fee structure?*

A.4 Applications received by the Department on or after 25 June 2007 will fall under the new fee structure.

**Q.5** *Do I need to indicate in the application form under which fee structure I am applying for?*

A.5 No. It is not necessary to indicate the fee structure in the application form. Applications received by the Department starting 25 June 2007 will be registered under the new fee structure, and those by 22 June 2007 will be under the existing fee structure.

**Q.6** *What if I wish to lodge an application under the new fee structure before 25 June 2007?*

A.6 As the new fee structure will take effect from 25 June 2007, traders should lodge applications starting 25 June 2007.

**Q.7** *How to register for a TTR? How long does it normally take to process an application?*

A.7 Traders should complete an Application Form for Textiles Trader Registration, which is available from the Central Registration Office (CRO) at Room 106, 1/F, Trade and Industry Department Tower, 700, Nathan Road, Mongkok, Kowloon. Traders should then return the application form, together with the green copy of the machine-printed pay-in slip (evidencing payment of the registration fee at any branch of the Hong Kong and Shanghai Banking Corporation Ltd.) and other required documents, to the CRO either by hand or by registered mail.

Under normal circumstances, applications for registration under the TTRS will be processed within three clear working days (after the date upon which the application is received). The signatory of the application may be invited for an interview and required to produce the original of the documents for examination. On approval, a Certificate of Registration as a Textiles Trader will be issued and sent to the applicant by registered mail.

**Q.8** *What supporting documents do I need to lodge together with the application?*

A.8 The application should be supported by:

- a) photocopy of the valid Business Registration Certificate;
- b) photocopy of the Hong Kong Identity Card / Passport of the signatory to the application;
- c) the green copy of the machine-printed pay-in slip evidencing payment of the registration fee;
- d) in the case of a limited company,
  - (i) a photocopy of the Certificate of Incorporation;
  - (ii) a certified true copy of FormX/X(i)/X(ii)/D1/D2 (Directors' List) as appropriate from Companies Registry or a Certified Public Accountant or a Solicitor;
- e) If the applicant is to be registered for the purpose of handling transshipment cargo under the cover of Transshipment Notifications (Textiles),
  - (i) photocopy of each Closed Road Permits held

- (ii) for freight forwarders only, photocopies of relevant letters of appointment issued by local shipping companies/airlines or agency agreements signed between the applicant and the local shipping companies/airlines as quoted in the application form; and
- f) In the case of a sole proprietorship or partnership company, a photocopy of the address proof of the “Usual Place of Business” as declared in the application form.

### **III. Renewal of Registration**

***Q.9 How do I know whether my company will be renewed under the existing or new fee structure?***

A.9 If the validity end date of your company's existing TTR falls on or before 23 June 2007, you will be renewed under the existing fee structure if you lodge your renewal application before the registration expires. If the validity end date of your company's existing TTR falls on or after 24 June 2007, or the validity end date of your TTR is before 24 June 2007 but you only come to renew your registration on or after 25 June 2007, you will be renewed under the new fee structure. For details, please refer to Annex B of Textiles Trader Registration Circular No. 4/2007 issued on 16 May 2007.

***Q.10 When can existing registered textiles traders start to register under the new fee structure?***

A.10 In line with existing practice, the Department will send a letter advising them of the upcoming expiry and the procedure for renewing their registration about one to two months before expiry of their registration. Traders may then lodge their renewal applications to the Department. The new validity period will normally commence on the date immediately following the expiry date of the current registration, provided that the renewal application is lodged before the current registration expires.

Textiles traders who renew their registrations with a validity period commencing on or after 25 June 2007 will fall under the new fee structure, regardless of when they lodge their applications for renewal.

Textiles traders with registration expiring before 24 June 2007 and have renewed their registration under the existing fee structure will switch over to the new fee structure when they renew their registration in 2008.

***Q.11 My registration is going to expire shortly before 25 June 2007, but I want to benefit from the new fee structure as soon as possible. What can I do?***

A.11 On an exceptional and one-off basis, the Department will allow this group of traders to delay the start date of their renewed registrations and register under the new fee structure. Traders who wish to make use of this special arrangement are required to raise a special request with TID. In raising the special request, apart from returning the completed *Application for Renewal of Registration as a Textiles Trader*, the green copy of the machine-printed pay-in slip (evidencing payment of \$718, being the annual registration fee under the new fee structure) and other necessary documents,

traders should also complete and return an *Application for Renewal of Expired Textiles Trader Registration under the New Fee Structure* (which can be downloaded at <http://www.tid.gov.hk/english/aboutus/form/publicform/ttrs/index.html> or obtained from the CRO). As the Department will take longer time to process this kind of applications, traders are advised to raise their requests early. As a general rule, requests raised on or before 15 June 2007 can have the renewed registration starting on 25 June 2007. Requests raised after 15 June 2007 may have the renewed registration starting on or after 25 June 2007, and the Department will separately contact traders to inform them of the start date.

Traders who wish to delay the renewal of their registrations in the above manner are required to make use of the consignment-specific import licences (i.e. Form 7, \$40 per licence) and export licences (i.e. Form 4, \$56 per licence) to cover their textiles shipments during the interim period when their Textiles Trader Registration is not in effect.

**Q.12** *If I choose to delay the renewal of my registration and register under the new fee structure as described in Q11, can I continue to use textiles notifications to cover my shipments after expiry of my current registration but before the new validity start date?*

A.12 No. Your company is required to make use of the consignment-specific import licences (i.e. Form 7, \$40 per licence) and export licences (i.e. Form 4, \$56 per licence) to cover textiles shipments during the interim period when the Textiles Trader Registration is not in effect.

**Q.13** *The special arrangement for delaying renewal is only applicable to traders with registration expiring shortly before 25 June 2007. What is the timeframe being referred to?*

A.13 The Department will try to entertain traders' requests as far as possible.

**Q.14** *If I raise a special request to delay the renewal of my registration, how can I know when my new registration is going to start?*

A.14 If the special request is raised on or before 15 June 2007, the renewed registration will commence on 25 June 2007. If the special request is raised after 15 June 2007, the renewed registration may start on or after 25 June 2007, depending on the number of special requests received by the Department. The Department will inform those traders of the validity start date separately. As such, it is in the interest of traders to raise the special request early.

**Q.15** *My TTR will be expiring on or after 24 June 2007. Can I stay in the existing fee structure by lodging the renewal application before 25 June 2007? Alternatively, can I raise a special request to renew my registration under the existing fee structure?*

A.15 No. If the start date of the new validity period falls on or after 25 June 2007, the renewed registration will fall under the new fee structure irrespective of when the renewal application is lodged. The Department will not entertain any requests from traders to renew their registration before the expiry date.

**Q.16** *If I have paid \$2,825/\$718 as registration fee, does it mean that my registration will be renewed under the existing/new fee structure?*

A.16 Not necessarily. Whether a registration falls under the existing or new fee structure is determined by the validity start date of the registration, not the amount of registration fee paid. For traders who have paid \$2,825 as registration fee but their applications are processed under the new fee structure, the Department will refund the overpayment afterwards. Similarly, if a trader has only paid \$718 but his registration should fall under the existing fee structure, the trader may be required to pay the shortfall before the Department starts to process his application.

#### **IV. New Textiles Notification Forms**

**Q.17** *When will the new forms be available for sale? Can I bring back the unused old forms for refund/ exchange for new forms?*

A.17 The new forms will be available for sale from 4 June 2007. Old forms will not be refunded or exchanged. Traders are advised to plan their purchase and use of the old forms carefully.

Unused forms must not be transferred for use by other traders, irrespective of whether they are registered under the TTRS.

**Q.18** *What is the responsibility of a registered textiles trader in respect of the use of textiles notification forms?*

A.18 It is the responsibility of registered traders to ensure that their shipments are covered by appropriate textiles notifications. Textiles traders who register or renew their registration under the new fees structure must start using the new notification forms **upon** commencement of their new registration. The notification form used must correspond with the type of shipments (i.e. (Import Notification (Textiles) (IN) to cover imports, Export Notification I & II (Textiles) (ENI & ENII) to cover exports, and Transhipment Notification (Textiles) (TN)) to cover transhipment of textiles).

**Q.19** *What is the procedure for purchasing notification forms?*

A.19 The procedure basically remains unchanged. For purchase of Import Notification forms, a registered trader have to complete an application form and lodge it together with the original or a certified copy of his Certificate of Registration as a Textiles Trader to the Central Registration Office for approval. Upon approval, he can go to the Collection and Form Sales Office to purchase import notification forms.

For purchase of Export Notifications I & II and Transhipment Notifications, a registered trader is required to present the original or a certified copy of his Certificate of Registration as a Textiles Trader to the Collection and Form Sales Officer for inspection.

For details, please refer to TTR circular No. 3/2000 dated 29 May 2000 and TTR circular No. 1/2007 dated 24 January 2007.

**Q.20** *If a trader uses a wrong form to lodge notification (e.g. registered under new fee structure but use existing forms, or vice versa), what should he do?*

A.20 If the error is detected before shipment, then the trader should try to withdraw the notification from the relevant carriers and replace it with a correct notification. If this is not possible, he should first cancel the wrong notification, and then lodge a fresh notification using the new (correct) form.

If the error is only detected after shipment, he should first cancel the wrong notification, and then apply from TID for a retrospective consignment-specific import or export licence.

It is very important that appropriate forms be used in lodging textiles notifications. Any improper use of textiles notification forms will be regarded as import or export of textiles not under and in accordance with a valid licence under the Import and Export Ordinance. The textiles notification lodged will be considered invalid and the relevant textiles trader will be required to apply for a retrospective consignment-specific import or export licence to cover the textiles shipment. Moreover, the Department may take legal or administrative actions against the textiles trader concerned.

**Q.21** *If I decide to terminate my registration for good, can I bring back the unused new forms for refund?*

A.21 Unused forms (including old and new forms) will not be refunded. Traders are therefore advised to plan their purchase and use of textiles notification forms very carefully.

Unused forms must not be transferred for use by other traders, irrespective of whether they are registered under the TTRS.

**Q.22** *The validity end date of my company's current TTR is after 25 June 2007 (e.g. in December 2007). My company should use the new notification forms starting 25 June 2007 (i.e. when the implementation of the new fee structure starts), or after my next renewed registration starts?*

A.22 Your company is required to use the new forms once the validity period of the next renewed registration starts. Before that, your company's TTR is still under the existing fee structure and hence the existing textiles forms can continue to be used until the end of the current validity period.

**Q.23** *Are the old forms still available for sale after 25 June 2007?*

A.23 Yes, the old forms will still be available for sale to allow their usage up to 24 June 2008. Moreover, only registered traders who are under the existing fee structure are eligible to purchase the old forms. Traders are also reminded to carefully plan the purchase and use of the existing textiles notification forms to avoid over-stocking, bearing in mind that the old paper forms can no longer be used upon commencement of the renewed registration under the new fee structure. Unused forms will not be refunded.

## **V. Use of electronic service in lodging textiles notifications**

***Q.24 Should all cargoes in the same vessel be covered by the same mode of notifications?***

A.24 There is no such requirement that all textiles cargoes on the same vessel have to be covered by the same mode of notification.

***Q.25 If a registered textiles trader has registered with Tradelink for using electronic notification, can he still use paper notifications?***

A.25 Yes. A registered textiles trader may lodge notifications in either paper or electronic mode. For paper mode, he has to ensure that the appropriate type of forms is used.

***Q.26 Can traders amend the particulars on e-notifications after they are lodged?***

A.26 Yes. There is no difference in the information requirement and permissible amendments on paper and e-notifications. Requests for amendment of e-notifications will be treated in the same manner as paper notifications.

## **VI. Provision of Product HS code**

***Q.27 Is the product HS commodity code required to be provided in existing notification forms which, unlike the new notification forms introduced under the new TTRS fee structure, do not include a column in the form for filling in the product HS code?***

A.27 Yes. With effect from 25 June 2007 and unless otherwise specified, textiles notifications lodged in both paper (including old or new notification forms) and electronic mode are required to provide the 8-digit commodity code number under the column "Hong Kong HS Code".

Textiles traders using old notification forms should provide the HS commodity code under the column of "Full Description of Goods".

***Q.28 Can the product HS codes declared on notifications be amended?***

A.28 Care should be taken in filling in the product HS codes on textiles notifications. For enquiries on HS codes, traders may approach the Trade Classification Section of the Census and Statistics Department (C&SD) at telephone 2877 1818 or make use of C&SD's online commodity code searching service ([http://www.censtatd.gov.hk/products\\_and\\_services/online\\_services/checking\\_trade\\_codes/index.jsp](http://www.censtatd.gov.hk/products_and_services/online_services/checking_trade_codes/index.jsp)).

Amendment to HS codes provided on textiles notifications will only be allowed if there is no change to the detailed description of the goods concerned.

***Q.29 If the HS code of the goods is not available at the time of lodgement of notifications, can it be omitted and be provided subsequently by raising an amendment request?***

A.29 No. Traders are required to provide the HS codes of the good concerned in the notification at lodgement, otherwise this will be treated an uncompleted textiles notification. Notifications which are not completed in accordance with prescribed requirements are considered invalid. The use of an invalid notification for import or export would constitute an offence under the Import and Export Ordinance.

***Q.30 If an exporter found that the HS code provided in an IN supporting an ENII is wrong, what should he do?***

A.30 The HS code must be in accordance with the current Hong Kong Imports and Exports Classification List (Harmonized System) and should correspond to the Textiles products declared under “Full Description of Goods”. For the above case, the exporter should provide the correct HS code in the ENII, and inform the importer to raise an amendment request to TID to amend the HS code in the IN.

## **VII. Streamlined requirements for electronic Transshipment Notifications (TN)**

***Q.31 If carriers/forwarders choose to provide only the through bill of lading/air waybill number in the e-TN under the streamlined way of completing electronic TN, can they amend the through bill of lading/air waybill number subsequently?***

A.31 No. Carriers/forwarders who choose to fill in only the through bill of lading/through air waybill number in the TN lodged in the electronic mode should exercise due care in completing the number. The Department will not accept post-shipment amendment to the through bill of lading/through air waybill number quoted on the TN. Should the need for amendment arises, carriers/forwarders should seek cancellation of the TN concerned and apply for a retrospective consignment-specific export or import licence.

***Q.32 Under the streamlined option of completing e-TN, do carriers/forwarders have to return the hard copies of the relevant through bill of lading/air waybill to TID?***

A.32 No. Carriers/forwarders need not return the hard copies of the through bill of lading/air waybill to TID. However, they are advised to make ready hardcopies of the through bill of lading/air waybill to officers of the Customs & Excise Department at the land border control points to facilitate inspection.

For enquiries on the TTRS new fee structure, please contact the Customer Service Centre of the Origin Certification and Textiles Licensing Branch at 2398 5288. For TTRS registration matters, please contact the Central Registration Office at 2398 5512. Enquiries may also be sent by email to enquiry@tid.gov.hk.