

**General Conditions Applicable to Shipping Companies, Airlines and
Freight Forwarders Registered under the Transshipment Cargo Exemption Scheme**
(for Transshipment Cargo other than Rough Diamonds)

- (1) The transshipment cargo must be stored separately and apart from any other merchandise in premises registered under the Transshipment Cargo Exemption Scheme (the Scheme) with the Trade and Industry Department (TID) and either owned or rented by the person registered under the Scheme (the registrant).
- (2) The physical custody of the transshipment cargo remains with the registrant at all times while the transshipment cargo is in Hong Kong and that no further processing or substitution of the transshipment cargo takes place in Hong Kong.
- (3) Up-to-date books and records shall be maintained by the registrant showing the following information in respect of all transshipment cargo handled by or on behalf of that person :
 - (i) a description of the cargo;
 - (ii) the quantity of the cargo;
 - (iii) the name and address of the owner of the cargo and the name and address of any agent or other representative of the owner and of any notifying party;
 - (iv) the original port of loading of the cargo;
 - (v) the port of destination of the cargo;
 - (vi) the date of arrival of the cargo in Hong Kong;
 - (vii) the date of departure of the cargo from Hong Kong;
 - (viii) the names of the inbound and outbound carriers of the cargo;
 - (ix) the serial numbers of the voyage, flight or vehicle on which the cargo is imported into and exported from Hong Kong;
 - (x) the master and house bill of lading or air waybill numbers in respect of the cargo; and
 - (xi) the place of origin of the cargo and a description of any marks or labels on the cargo.
- (4) A registrant shall allow authorised officers of the Customs and Excise Department (C&ED) to inspect his godown premises, transshipment cargo, and books and records relating to the transshipment cargo whenever required.
- (5) The registrant shall ensure that transshipments under the Scheme are only released to and accepted from other shipping companies, airlines or freight forwarders registered under the Scheme.

- (6) Exemption is not transferable. For a change of the proprietor in a registered proprietorship or any of the partners in a registered partnership, a new Application for New Registration has to be submitted. Besides, the registrant shall immediately inform the Director-General of Trade and Industry (DGTI) in writing of any change in the registration particulars declared in the application for new registration or application for amendment of registration particulars under the Scheme.
- (7) The DGTI may vary, revise or abolish the Scheme as it applies to any type of transshipment cargo at any time he deems appropriate and registration granted under the Scheme will be deemed to be cancelled in respect of that type of transshipment cargo.
- (8) The registrant shall comply with any other conditions of exemption which the DGTI may impose from time to time and promulgate in relevant circulars or letters for the purposes of safeguarding the integrity of or implementing the Scheme.
- (9) A breach of any of the conditions of exemption by a registrant may render the exemption granted to him liable to be revoked or suspended by the DGTI, irrespective of whether legal and/or other administrative actions are taken against him.

Conditions applicable only to shipping companies and airlines

- (10) The import and export manifests in respect of the transshipment cargoes covered by the Scheme shall be delivered to the DGTI within 14 days after importation/exportation of the transshipment cargoes. At the time of delivery of manifests, the relevant through bills of lading or through air waybills, issued at the original port of loading indicating Hong Kong as a transshipment port, must be provided as evidence that the goods are transshipment cargoes. Through bills of lading or through air waybills not issued at the original port of loading are also accepted provided that they are issued under the authorisations of the carriers or their agents handling the consignments at the original port of loading; and proof of such authorisations must be produced for inspection upon the request of officers of the TID and C&ED. In respect of each transshipment, the relevant entry in the manifest must clearly indicate that the entry covers transshipment cargo. The Certificate of Exemption Number of the shipping company, airline or freight forwarder from which the cargo is accepted or to which the cargo is released must also be clearly stated. If the manifests are delivered to the TID using electronic service, delivery of the through bill of lading or through air waybill in respect of the transshipment cargo to the TID is not necessary, but the registrant should quote the Certificate of Exemption Number granted by the DGTI along the relevant consignment in the electronic manifest.

Conditions applicable only to freight forwarders

- (11) Monthly returns on transshipment cargoes handled in the preceding calendar month in the format specified at Appendix 1 must be lodged to the TID on or before the 15th of each month. Returns should be properly signed, dated and should bear the company chop of the freight forwarder. Nil return (Appendix 2) is required.
- (12) If a freight forwarder ceases to be the agent of any shipping company or airline which had previously appointed the freight forwarder as its agent for the purpose of handling transshipment cargo, the freight forwarder shall immediately:

- (i) inform the DGTI in writing that it has ceased to be the agent of that shipping company or airline; and
- (ii) except where the freight forwarder remains the agent of one or more shipping companies or airlines, surrender its Certificate of Exemption to the DGTI for cancellation.