

**Transshipment Cargo Exemption Scheme :  
Conditions of Exemption for Registrants Handling Transshipment of Rough Diamonds**

- (1) The transshipment cargo of rough diamonds must be stored separately and apart from any other merchandise in premises registered with the Trade and Industry Department (TID) under the Transshipment Cargo Exemption Scheme (the Scheme) and either owned or rented by the person registered under the Scheme (the registrant).
- (2) 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.
- (3) A registrant shall allow the authorised officers of the Customs and Excise Department (C&ED) to inspect his premises, godown premises, the rough diamonds imported or to be exported during the transshipment and books and records relating to the transshipment whenever required for administering the Scheme.
- (4) The physical custody of the transshipment goods remains with the registrant at all times while the transshipment goods are in Hong Kong and that no further processing, sale or substitution of the transshipment goods takes place in Hong Kong. The registrant shall ensure that the transshipment of rough diamonds are sealed in a container; and that the container has not been tampered with and the seals on the container remain intact.
- (5) Up-to-date books and records shall be maintained by the registrant showing the following information in respect of all transshipment of rough diamonds handled by or on behalf of that person :
  - (i) a description of the rough diamonds;
  - (ii) the quantity and carat weight/mass of the rough diamonds;
  - (iii) the name and address of the owner of the rough diamonds 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 rough diamonds;
  - (v) the port of destination of the rough diamonds;
  - (vi) the date of arrival of the rough diamonds in Hong Kong;
  - (vii) the date of departure of the rough diamonds from Hong Kong;
  - (viii) the names of the inbound and outbound carriers of the rough diamonds;
  - (ix) the serial numbers of the voyage, flight or vehicle on which the rough

diamonds are imported into and exported from Hong Kong;

- (x) the master and house bill of lading or air waybill numbers in respect of the transshipment cargo;
  - (xi) the place of origin of the goods and a description of any marks or labels on the goods; and
  - (xii) the reference number of the Kimberley Process Certificate accompanying the transshipment goods, unless otherwise specified.
- (6) The registrant shall ensure that the transshipments are only released to and accepted from other companies which are also registrants under the Scheme or which have been registered for Rough Diamonds Transshipment Exemption under the Kimberley Process Certification Scheme (KPCS) for Rough Diamonds in Hong Kong.
- (7) The exemption only applies to transshipment of rough diamonds from or to a country or place for which the KPCS is effective or as permitted by the Kimberley Process and the importation of the rough diamonds from the exporting country or place and exportation of which to the country or place of destination are not subject to any trade sanctions.
- (8) The import and export manifests in respect of the transshipment of rough diamonds covered by the Scheme shall be delivered to the DGTI within 14 days after importation/exportation of the transshipment goods.
- (9) 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 registrants or their agents handling the consignments of rough diamonds 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. All registrants under the Scheme should keep through bills of lading or through air waybills covering transshipment of rough diamonds for two years.
- (10) In respect of each transshipment, the relevant entry in the manifest must clearly indicate that the entry covers transshipment goods. The Certificate of Exemption Number of the registrant under the Scheme or the Rough Diamonds Transshipment Exemption Number of the registrant under the KPCS from which the goods are accepted or to which the goods are 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 goods to the TID is not necessary, but the registrant should quote the Certificate of Exemption Number or the Rough Diamonds Transshipment Exemption Number granted by the DGTI along the relevant consignment in the electronic manifest.
- (11) The registrant shall lodge with the TID monthly returns (Appendix 1) on rough diamond consignments transhipped in the preceding calendar month in the format specified in the application form on or before the 15<sup>th</sup> of each month. Returns

should be properly signed, dated and should bear the company/business chop of the registrant. Nil return (Appendix 2) is also required.

- (12) 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.
- (13) 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.
- (14) 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.