



香港特別行政區政府 工業貿易署

Trade and Industry Department

The Government of the Hong Kong Special Administrative Region

香港九龍彌敦道 700 號工業貿易署大樓

Trade and Industry Department Tower, 700 Nathan Road, Kowloon, Hong Kong



24-hour hotline : 23 922 922

e-mail address : enquiry@tid.gov.hk

Ref. : TRA CR 1109

## RICE CONTROL SCHEME

### INTRODUCTION

Rice is a staple food in Hong Kong and is therefore scheduled as a reserved commodity under the subsidiary regulations of the Reserved Commodities Ordinance (Cap 296, Laws of Hong Kong). Under the Ordinance, the Government operates the Rice Control Scheme (the Scheme) to ensure a stable supply of rice and to keep a reserve stock sufficient for consumption by the population for a reasonable period to cater for emergencies or any short term shortage of supply.

### ARRANGEMENTS UNDER THE SCHEME

#### **I. Registration as a Rice Stockholder**

##### *Registration requirement*

2. Under normal circumstances, only stockholders registered with the Trade and Industry Department (the Department) may import rice into Hong Kong for local consumption. Any person carrying on a business registered in Hong Kong under the Business Registration Ordinance (Cap 310)<sup>(Note 1)</sup> may apply to the Department for registration as a stockholder of rice. Registration is free of charge and is subject to the conditions set out at Annex I. Applicants should complete the form at Annex II and return it to the Rice Control Unit of the Department.

##### *Registration period and import period*

3. Registration as a stockholder is on the basis of a calendar year ending 31 December of each year, unless otherwise specified by the Director-General of Trade and Industry (the Director-General). The period of registration for a stockholder is stated in the certificate of registration (see paragraph 9 below).

4. Each calendar year is divided into four import periods, namely, January to March, April to June, July to September and October to December, unless otherwise specified by the Director-General.

##### *Import quantity for a registration period*

5. Applicant for registration as a stockholder should state in the application the quantity of rice that he is prepared to import for the registration period. The import quantity so stated

Note 1: As defined in section 3(1) of the Business Registration Ordinance (Cap 310), "person carrying on business" means :

- (a) in the case of a single person or corporate body, such person or corporate body;
- (b) in the case of a business carried on by a partnership, all partners; and
- (c) in the case of a business carried on by any other body of persons, the principal officers of such body.

同心展關懷

caringorganisation 2006-10  
Awarded by The Hong Kong Council of Social Service  
香港社會服務聯會頒發

should also include the requisite reserve stock within the registration period. Under normal circumstances, a stockholder is not allowed to import rice exceeding this stated quantity within the registration period.

6. If, during the registration period, a stockholder wishes to import more than the quantity stated in his application for registration, he will have to make a new application for registration as a stockholder for the remaining period of registration.

#### *Registration results*

7. The Director-General will inform the applicant of the result of his application for registration within 14 days of the receipt of the application. The Director-General may where necessary request the applicant to supply further information/supporting documents for consideration of the application. Among other factors, the Director-General will, if appropriate, take into account any past record of compliance by the applicant with the conditions of registration when considering the application.

8. Unless otherwise specified by the Director-General, for an application made between 1 June and 30 November inclusive, the registration, if approved, will be effective from the following 1 January to 31 December; for an application made between 1 December and 31 May inclusive, the registration, if approved, will be effective from the following 1 July to 31 December.

#### *Certificate of registration*

9. If the Director-General accepts an applicant's registration as a stockholder, the Director-General will issue to the successful applicant a certificate of registration. A sample of the certificate is at Annex III. The certificate of registration is valid for the registration period as stated in the certificate. The certificate also states the total quantity of rice which the stockholder is prepared to import and hold as a stockholder for the registration period as well as the amount of rice that the stockholder is required to hold at all times during an import period in fulfilling the reserve stock requirement.

#### *Import quantity for each import period*

10. As a condition of registration, each stockholder should before the commencement of each import period and within the time limit as specified by the Director-General give an undertaking to import a quantity of rice for the following import period on the form at Annex IV. The stockholder is required to import within the import period in question the exact quantity (exclusive of the reserve stock) that he has so undertaken to import. This is to enable an overall stable supply of rice. In case of emergency, the Director-General may require a stockholder to import and hold in stock a quantity of rice exceeding the undertaken import quantity for a particular import period.

#### *Flexibility arrangement to revise the undertaking import quantity*

11. Under normal circumstances, each stockholder can apply for approval to revise the undertaking import quantity once and up to 5% of his original undertaking import quantity. Interested stockholder is required to lodge a written application using the form at Annex V by the 15<sup>th</sup> of the second month of the import period (i.e. by the middle of the import period) for approval by the Director-General. All applications will be considered together after the application deadline and stockholders will be informed of their application results in one go. A stockholder should not effect any revision in undertaking import quantity until he has received

written approval from the Director-General.

12. To maintain the effectiveness of the Scheme, stockholder should note that the Director-General will reject applications for revision in the undertaking import quantity if:

- (a) the applied increase in undertaking import quantity will lead to the stockholder importing rice exceeding his stated quantity within the registration period; or
- (b) the applied decrease in undertaking import quantity will lead to the stockholder importing less rice than the amount that he has already imported.

13. Furthermore, the Director-General will not consider any request for revision in excess of 5% of a stockholder's undertaking import quantity, or any request to revise the undertaking import quantity more than once within an import period. Should special circumstances arise, such as the Government foresees or believes rice supply will be very tight or insufficient, the Department may also suspend the operation of the arrangement.

#### *Alteration of conditions of registration and cancellation of registration*

14. The Director-General may at any time alter the conditions of registration (Annex I) of a stockholder. Where the Director-General alters the conditions of registration, the stockholder has to surrender his registration certificate to the Director-General who will then issue a new certificate to the stockholder. The Director-General may cancel the registration of a stockholder if the stockholder has contravened the conditions of registration. A stockholder may request for cancellation of his registration at the end of an import period if he makes the request at least one month before the end of the import period. If the request is made less than one month before the end of the import period, the cancellation will become effective at the end of the following import period.

## **II. Maintenance of a Reserve Stock**

### *Amount of reserve stock*

15. The Government aims to maintain a reserve stock sufficient for consumption by the local population for a reasonable period of time, at present 15 days. The reserve stock is kept at all times to meet sudden surge in demand in case of short term shortage of supply or other emergencies, and is shared among all registered stockholders. The amount of reserve stock that a registered stockholder is required to hold for an import period is as follows:

- (a) for the first import period in which a newly registered stockholder commences operation to import and maintain stock of rice, 17% of the quantity the stockholder has undertaken to import for that import period; or
- (b) for a stockholder who has been a registered stockholder in the immediately preceding import period, 17% of the stockholder's offtake of rice in the immediately preceding import period. Such offtake means the total quantity of rice he delivered from the approved rice storage place(s) in the immediately preceding import period. If both the stockholder's offtake and the import quantity undertaken in the immediately preceding import period are zero, the amount of reserve stock for the current import period will be 17% of the quantity he has undertaken to import for the current import period.

The reserve stock amount of a stockholder will not be affected even if he applies for revision in the undertaking import quantity under the flexibility arrangement (see paragraphs 11-13 above). Notwithstanding the above, the Director-General has full discretion to specify the amount of reserve stock that a registered stockholder is required to maintain at all times.

16. Each stockholder must fill up **in full** his reserve stock **before** the commencement of his registration period. The stockholder is required at all times during the validity of his certificate of registration to maintain no less than that quantity of the reserve stock of rice as specified in the certificate and such stock shall be in his sole ownership and immediate possession.

#### *Obligations of stockholders in relation to maintaining the stock*

17. All stock of rice maintained by a stockholder, including the reserve stock, has to be stored in rice storage place(s) approved by the Director-General (see paragraph 28 below) and maintained in good condition to the satisfaction of the Director-General. If the registration of a stockholder is cancelled, either by the Director-General or upon the request of the stockholder, the stockholder should dispose of his stock in accordance with the direction given by the Director-General. At times of emergency, the Director-General may direct stockholders to dispose of their stocks to maintain a stable supply of rice in the market.

### **III. Licensing Requirements**

18. In general, all import and export of rice into and from Hong Kong must be covered by import or export licences<sup>(Note 2)</sup>, as appropriate. Applications for import licence and export licence shall be made respectively on Import Licence Form 3 (TRA 187) and Export Licence Form 6 (TRA 394), in triplicates. These forms are for sale at the Collection and Form Sales Office of the Department at Room 104, 1/F, Trade and Industry Department Tower, 700 Nathan Road, Kowloon. An import/export licence application is to be lodged with the Rice Control Unit of the Department at Room 102B, 1/F of the Trade and Industry Department Tower. The Director-General may where necessary request the applicant to supply further information/supporting documents in support of his licence application. An import licence is valid for 6 weeks and an export licence is valid for 28 days, both from the date of issue. Each licence is valid for covering one shipment only.

19. An applicant of an import licence must state clearly on the licence application form whether the rice is imported for local consumption or for re-export. If the end-use of the rice is to be changed subsequently, the stockholder must immediately make a request for amendment of the licence with the Department.

---

Note 2: Exemptions from licensing requirements apply to the following :

- (i) Rice brought into Hong Kong in any ship in an amount not exceeding that which is reasonably required for consumption or use in the working of such ship.
- (ii) Rice imported or exported into or from Hong Kong in the personal luggage of a person solely for his own consumption or as gifts, in an amount not exceeding 15 kg.
- (iii) For air-to-air transshipment cargo whereby at any time between its being brought into and taken out of Hong Kong the rice has remained in the cargo transshipment area of the Hong Kong International Airport.
- (iv) For transshipment of other modes or inter-modal transshipments, where the carrier or the forwarder handling the cargo has valid registration under the Transshipment Cargo Exemption Scheme (TCES) subject to complying with the conditions of registration under the TCES. For enquiries on the TCES, please contact General Licensing and Hong Kong Service Supplier Certification Branch of Trade and Industry Department (tel. 2398 5565).

20. An import/export licence will normally be ready for collection after one clear working day following lodgement. In any event, applicants are advised to lodge their applications well in advance of arrival/departure of shipments. Request for amendment or cancellation of a licence must be made in writing to the Director-General. The request will be considered and approved on a case by case basis. An application for rice import/export licence, as well as a request for amendment or cancellation of a licence, is free of charge.

*Import for local consumption*

21. Under normal circumstances, the Director-General will only issue licences to registered stockholders to cover rice imported for local consumption, and the quantity imported will be debited against the stockholder's import quantity undertaken for the relevant import period until the entire undertaken quantity has been imported in full. Import beyond the quantity undertaken in the import period will be counted towards the following import period and cannot be released for local sale within the current import period. There are conditions attached to a licence. If necessary, the Director-General may impose special and additional conditions on a particular licence. One condition pertaining to an import licence is that the stockholder is required to store the imported rice in rice storage place(s) approved by the Director-General. A duly completed specimen of import licence for rice for local consumption with the normal conditions attached is at Annex VI.

*Import for re-export*

22. For rice imported for re-export, applicants should make an import licence application and also an export licence application. On the application for an export licence, the applicant is required to quote the import licence number of the corresponding import and to provide copy of shipping documents for verification by the Department. Duly completed specimens of import and export licences for import and re-export of rice with the conditions attached are at Annexes VII and VIII respectively. Officers of Customs and Excise Department (C&ED) may conduct physical checks including supervision of the loading/unloading of the rice covered by import/export licences as and when deemed necessary.

**IV. Arrival and Delivery of Rice**

23. To give the Director-General an accurate and up-to-date record of actual imports of rice, a stockholder is required to confirm in writing the arrival of each consignment for local consumption using the form at Annex IX. Such rice arrival confirmation may be incorporated in the stockholders' regular return to the Department (see paragraph 25 below).

24. No person shall take delivery of rice from an approved rice storage place except in accordance with a written authority by the Commissioner for Customs and Excise (the Commissioner). Application for an authorisation for rice delivery should be made in writing by the stockholder to the Director-General using the form at Annex X with the following information :

- (a) the name of the approved rice storage place ;
- (b) the quantity of rice to be delivered ; and
- (c) the stock balance of the stockholder not yet authorised for delivery.

Applications would be considered by the Director-General under delegated authority by the Commissioner.

## **V. Maintenance of Records and Statistics**

25. A stockholder is required to keep records of stock and transactions in rice and furnish returns on a regular basis to the Department as specified by the Director-General. In this connection, a stockholder is required to lodge a monthly stockholders' return (Annex XI) to report on his rice arrival and offtake. A return should reach the Director-General within 4 clear working days after the end of the month it covers.

26. In this connection, officers of C&ED may enter the premises of a registered stockholder for the purpose of examining the rice held by the stockholder and all documents relating thereto.

27. Statistics collected on the actual imports and stock from stockholders will be aggregated and disseminated to all stockholders on a monthly basis to facilitate their better understanding of the market situation. The information is also available to interested parties and the public.

## **VI. Approval of a Rice Storage Place**

28. Any person carrying on business registered in Hong Kong under the Business Registration Ordinance (Cap 310) may apply for approval of his godown as an approved rice storage place with the Director-General. Application is free of charge. Whether approval will be given is subject to the results of inspection on the premises to be conducted by officers of C&ED. Interested parties should complete the application form at Annex XII and lodge it with the Rice Control Unit of the Department. The Director-General may attach approval conditions as he thinks fit. The usual conditions of approval as a rice storage place are at Annex XIII. One of the conditions of approval is to allow officers of C&ED to inspect the rice under storage and all documents relating thereto. The owner/operator of an approved rice storage place is required to lodge a monthly return with the Director-General no later than 7 days after the end of the month the return covers (a sample form for the return is at Annex XIV).

## **VII. Electronic Option in Lodging Stockholders' Return and Monthly Return on Storage of Rice**

29. Under the Scheme, stockholders and operators of approved rice storage places have the option to lodge their respective stockholder's returns and monthly returns on storage of rice electronically via the Internet. To lodge returns electronically using the Electronic Option (E-Option), the following software will be required:

- (a) Internet browser, like the Internet Explorer, Firefox, etc.;
- (b) Adobe Acrobat Reader version 8 or above (can be downloaded from the Adobe website); and
- (c) Trade & Industry Department Certificate (can be downloaded from the Department website)

30. Interested stockholders and operators of approved rice storage places can complete the application form at Annex XV and return it to the Rice Control Unit of the Department. A rice e-services user account with an initial login password will be assigned to successful applicant. Stockholder who also has his own approved rice storage place(s) is encouraged to apply for a single user account for submitting the returns.

## VIII. Food Safety of Rice

31. Distributors and vendors involved in the sale of rice are required to ensure that the rice they sell in Hong Kong is wholesome, unadulterated, fit for human consumption and properly labelled as required under Part V of the Public Health and Municipal Services Ordinance (Cap 132) and its subsidiary legislation. Rice is an item included in the food surveillance programme implemented by the Centre for Food Safety, Food and Environmental Hygiene Department. Samples of rice are taken for detection of pesticides, heavy metals, mineral oil, colouring matter, toxic substances, etc. to ensure food safety. For more details, please consult the Risk Communication Unit of the Centre for Food Safety, Food and Environmental Hygiene Department.

## IX. Important Notes

32. Any person who contravenes the provisions in the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Cap 296A) commits an offence and is liable on conviction to a maximum penalty of HK\$100,000 and imprisonment for two years. In addition to prosecution, the Department may take administrative actions against these persons, including stockholders and owners/operators of approved storage places who have breached the conditions of registration or conditions of approval respectively. Such administrative actions include but are not limited to, cancellation/suspension of registration/approval, suspension of a licence, refusal to issue a licence, debarment of all registration and/or licensing facilities, etc.

## ENQUIRIES

33. For details and enquiries about the Scheme, please visit the website at [http://www.tid.gov.hk/english/import\\_export/nontextiles/nt\\_rice/nt\\_rice.html](http://www.tid.gov.hk/english/import_export/nontextiles/nt_rice/nt_rice.html) or contact:

Rice Control Unit  
Trade and Industry Department  
Room 102B, 1/F, Trade and Industry Department Tower  
700 Nathan Road, Kowloon

Telephone : 2398 5570  
Fax : 3525 0987  
E-mail : [enquiry@tid.gov.hk](mailto:enquiry@tid.gov.hk)

Rice Control Unit  
Trade and Industry Department  
Europe Division  
March 2010