

Strategic Trade Controls in Hong Kong and International/Regional Co-operation

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Hong Kong Special Administrative Region



- Basic Law guarantees “One Country, Two Systems”
- Separate Customs Territory
- Autonomous Trading Entity
- Administration of Separate, Independent Strategic Trade Control System

Hong Kong's Policy

- Committed to ensuring “free and secure trade”
- Adopt highest international standards of control on strategic commodities in local legislation and best practices in licensing system
- International and regional cooperation is important in maintaining effective controls over trade in strategic commodities

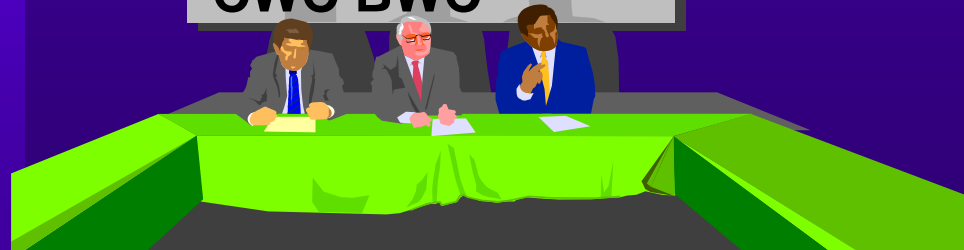


Adopt International Standards

Follow controls in international regimes :-

- Wassenaar Arrangement (WA);
- Missile Technology Control Regime (MTCR);
- Australia Group (AG);
- Nuclear Suppliers Group (NSG) and Nuclear Non-Proliferation Treaty (NNPT);
- Chemical Weapons Convention (CWC);
Biological Weapons Convention (BWC)

WA MTCR AG
NSG /NNPT
CWC BWC



No Undercutting Principle

- No undercutting principle - not to undercut the control systems of trading partners
- Hong Kong will not approve a licence to cover the re-export of an item if we know that the originating country would not permit the export of the same goods to the same destination
- Regular exchange of denial and licensing information with 16 countries

United Nations Security Council Resolutions (UNSCR)

➤ Implement various UNSCRs on WMD non-proliferation :-

- UNSCR 1373
- UNSCR 1540
- UNSCR 1718
- UNSCRs 1737 and 1747



International Cooperation on Proliferation Financing



➤ Support global initiatives on combating money laundering and terrorist / WMD proliferation financing :-

- an active member of the Financial Action Task Force on Money Laundering (FATF) and its Working Group on Terrorist Financing and Money Laundering (WGTM)
- already implemented most of 40+9 Recommendations

APEC initiatives

☰ APEC's counter-terrorism agenda :-

- work with APEC members to achieve secure trade in the Asia-Pacific Region
- adopt measures to enhance protection of cargo, ships, international aviation and people in transit



**Asia-Pacific
Economic Cooperation**

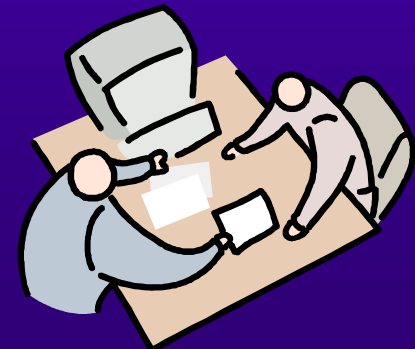
Enforcement Cooperation

- Intelligence sharing
- Enforcement cooperation on case-by-case basis



Sharing of knowledge and expertise

- Conferences and seminars
- Visits and bilateral meetings
- Sharing of updates on developments at regimes
- Expertise secondment arrangement



Joint Efforts on Outreach

- ▮ Joint visits to users
- ▮ Outreach seminars



Recap

- **Adopt controls of international non-proliferation regimes and UN sanctions**
- **Do not undercut**
- **Collaborate in APEC**
- **Collaborate in FATF**
- **Other forms of bilateral co-operation and exchange**

Thank You