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Report Name: Hemp

Country: Hong Kong

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Report Highlights:

Hong Kong does not have a market for hemp products because the Dangerous Drugs Ordinance has a zero tolerance for tetrahydrocannabinol (THC). While there is no statutory definition of hemp presently, in practice hemp is subject to the oversight of the Dangerous Drugs Ordinance.

Section I Hemp

There is no statutory definition of hemp in Hong Kong. All products derived from plants in the cannabis family, regardless of the variety or end use, are considered cannabis. The Dangerous Drug Ordinance (Cap 134), which controls narcotic drugs, does not specifically mention hemp or cannabidiol (CBD). However, a recent transshipment of U.S. hemp seed to Australia via Hong Kong was subject to transshipment regulations stipulated under the Dangerous Drug Ordinance, showing that Hong Kong controls hemp and hemp seed as dangerous drugs under the related Ordinance.

The <u>Dangerous Drug Ordinance</u> lists cannabis and tetrahydrocannabinol (THC) as dangerous drugs. People importing into and exporting from Hong Kong, procuring, supplying, manufacturing, or dealing in or with dangerous drugs are subject to criminal charges unless the activities are done according to conditions detailed in a license provided by the Hong Kong government and by authorized persons stipulated in the Ordinance. The maximum penalty for violation of the law is life imprisonment and a fine of HKD5 million (USD643,000). In recent years, the Hong Kong government has continued its zero tolerance <u>policy</u> regarding the production and sale of cannabis and there is no indication or plans to change this policy at this time.

In a written response to the Legislative Council, the Hong Kong government indicated that "any products (including any food products and drinks) that contain THC are also controlled under Cap 134".

Hong Kong has a zero-tolerance policy for cannabis and THC. While CBD is not listed as a dangerous drug in the Dangerous Drugs Ordinance, the Hong Kong food safety authority has warned traders and travelers to avoid bringing in food or drinks containing CBD because it is difficult to extract pure CBD that does not contain any THC, thus increasing the likelihood that the individual or company could be prosecuted for breaking the law. There are posters in Customs areas to enter and exit Hong Kong stating that cannabis products are illegal in Hong Kong and in a recent <u>article</u> the spokesperson for the Hong Kong Customs and Excise Department stated "Ignorance is not an excuse and prosecution will be initiated when the evidence justifies it."

While there is explicit prohibition of THC by law, the status of CBD and hemp contained in manufactured non-food and non-pharmaceutical products is unclear. Industry has significant concern and apprehension about handling products containing CBD, given that it is illegal, as evidenced by the following example.

A skin care company in Hong Kong has promoted its organic hemp oil on its website. This product is only available for sale on its website and is shipped directly from overseas to Hong Kong customers. However, none of the retail stores in Hong Kong have this product on the shelf. The company has said it is not sure whether it is legal to sell hemp oil in Hong Kong, so all transactions are completed over the internet and its Hong Kong employees are not involved in any part of the transaction or shipment. Another anecdote was that the Hong Kong Customs intercepted skin care products claimed containing hemp oil in an air freight cargo.

CBD is a listed product under the <u>Pharmacy and Poisons Regulation (Cap138A)</u>. Under the <u>Pharmacy and Poisons Ordinance (Cap138)</u>, any pharmaceutical products containing CBD must be registered with

the Pharmacy and Poisons Board before it can be sold or distributed. Presently, no registered pharmaceutical product contains CBD.

Section II Hemp Production

No hemp production in Hong Kong.

Section III Labeling Requirements

No specific labeling regulation on hemp and hemp products.

Under the Pharmacy and Poisons Regulation, THC, CBD, extracts of cannabis, and cannabis are listed as "poisons". Pharmaceutical products containing these ingredients have to be registered with the Pharmacy and Poisons Board and comply with labeling requirements of pharmaceutical products.

Section IV Packaging and Container Regulations

No specific regulation on hemp and hemp products.

Similar to labeling, if the products are classified as pharmaceutical products or/and dangerous drugs, they need to comply with the corresponding ordinance.

Section V Hemp/Cannabinoid Regulations

There is no specific regulation on hemp and no statutory definition of hemp.

The Dangerous Drug Ordinance (Cap 134), which controls narcotic drugs, is based on a negative list with zero tolerance. The negative list stipulated under the Ordinance does not specify hemp or cannabidiol (CBD); but cannabis and tetrahydro-cannabinol (THC) are listed as dangerous drugs.

With the zero tolerance of cannabis and THC under the existing Ordinance, hemp products containing any THC are regarded as dangerous drugs and the import and export of all dangerous drugs are subject to restrictions. Nobody is allowed to import, possess, store, deal or use dangerous drugs, except for certain persons with statutory authority such as medical practitioners and veterinarians. Exemptions are also provided to "a person in charge of a laboratory used for the purposes of research or instruction and attached to a university or to an approved hospital or institution". Under the Dangerous Drugs Ordinance, authorized importers are required to apply for a license and an import certificate from the Hong Kong Department of Health for each shipment and drugs have to be handled under the conditions stated in the respective licenses. In addition, importers have to obtain an export authorization or diversion certificate issued by the exporting country to bring in dangerous drugs into Hong Kong.

Hemp has a concentration of CBD and is listed as a poison under the Pharmacy and Poisons Ordinance. Pharmaceutical products containing listed poison are subject to the regulation, by which, they need to obtain prior approval for registration with the Pharmacy and Poisons Board before being imported and sold in Hong Kong. Currently, Hong Kong does not have any pharmaceutical products containing CBD registered.

Section VI Regulatory Source

The Narcotics Division of the Security Bureau is tasked with enacting and reviewing policies and measures to combat drug abuse. Its portfolio includes running educational anti-drug programs and treatment and rehabilitation services. External cooperation with overseas authorities is also under its portfolio. The Bureau is headed by the Commissioner for Narcotics.

Both the Customs and Excise Department and the Hong Kong Police are the two government departments responsible for enforcing the Dangerous Drug Ordinance. Under the Customs and Excise Department, the Custom Drug Investigation Bureau (CDIB) is responsible for conducting investigations on drug trafficking activities.

For pharmaceutical products, the Pharmacy and Poisons Board is established under the Department of Health to have oversight of the functions of the Pharmacy and Poisons Ordinance. The executive arm of the Board is the Drug Office of the Department of Health, which is responsible for overseeing the safety, efficacy, and quality of pharmaceutical products in Hong Kong. Some medicines are classified as dangerous drugs and are regulated by the Dangerous Drugs Ordinance, meaning they can only be sold by a doctor's prescription in registered pharmacies under the supervision of a registered pharmacist.

Section VII Other Requirements, Regulations, and Registration Measures

No specific regulation for hemp.

For hemp products containing THC, the importation of hemp products is subject to the Dangerous Drugs Ordinance as mentioned under Section V.

Section VIII Other Regulatory and Import Contacts

No other laws other than those mentioned above.

Section 1X Market Potential

Hong Kong has insignificant farming due to the scarcity of land. Hong Kong will not be an exporter of hemp products.

Given Hong Kong's existing zero tolerance on THC and the possibility of hemp containing THC content, Hong Kong has little, if any, potential of importing hemp products.

Hong Kong does not have any hemp specific HS codes. The table below shows Hong Kong's imports with HS classification which may contain hemp ingredients. Since these are six-digit HS codes which are not hemp specific, the import data therefore refers to products containing other ingredients as well.

Table: Hong Kong's Imports from the World and the United States

HS Code	Description	From the World	From the U.S.	U.S. Market
		US Thousand Dollars		share
		2019	2019	%
33	Essential Oils And Resinoids;	6,395,406	750,960	12%
	Perfumery, Cosmetic Or Toilet			
	Preparations			
121190	Plants And Parts Of Plants (Including	76,595	93	0%
	Seeds And Fruits), Used Primarily In			
	Perfumery & Pharmacy			
151590	Fixed Vegetable Fats And Oils And	12,036	1,455	12%
	Their Fractions			
120799	Oil Seeds And Oleaginous Fruits,	389	152	39
	Whether Or Not Broken, Nesoi			
290729	Polyphenols, Nesoi	168	0	0%
230690	Oilcake And Other Solid Residues	44	0	0%
	Resulting From The Extraction Of			
	Vegetable Fats And Oils, Nesoi,			
530290	True Hemp (Cannabis Sativa L),	0	0	0%
	Processed But Not Spun; Tow And			
	Waste Of True Hemp			

Source: TDM - Hong Kong Census and Trade

Attachments:

No Attachments.