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Hong Kong's Import Regulations on Wine and Spirits

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Wine

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Report Highlights:

This report provides general guidelines on import regulations for alcoholic beverages to Hong Kong and Macao. Wine imports to Hong Kong and Macao are not subject to import duty and there are no health certification requirements. Hong Kong exempts beverages with more than 10 percent alcohol from labeling requirements but requires that the alcohol content be stated on the product. In Macao, beverages with alcoholic content over 5 percent are exempt from labeling requirements.

For re-exports from Hong Kong to China, noteworthy changes to the Hong Kong Customs Facilitation Agreement with China include (1) the expansion of applicable Chinese ports to Shenzhen and Guangzhou and (2) the removal of the restriction that only registered mainland China importers could utilize the customs facilitation measures.

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Hong Kong for U.S. exporters. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

General Information:

Import

Hong Kong

Duties

Beverages with less than 30 percent alcohol (primarily wines and beer) are not subject to excise duty. Beverages containing more than 30 percent alcohol content are subject to 100 percent excise duty unless the product is to be re-exported and not consumed in Hong Kong, in which case there is no excise duty.

o License and Permit

Products with an alcohol content of less than 30 percent by volume do not require a license or permit for import, export, manufacture, storage or distribution.

Beverages with an alcohol content of more than 30 percent by volume measured at a temperature of 20 degree Celsius are subject to license and permit control. Only licensed importers are eligible to import these products and an import permit is required for each shipment prior to arrival.

Certificate of Origin/Age Certificate

Wine imports do not require a Certificate of Origin/Age Certificate.

Brandy and whisky product (see definition below) imports intended for sale in Hong Kong must be accompanied by a Certificate of Origin/Age Certificate certifying the type, nature, quality and age of the product. If the brandy or whisky is intended solely for re-export a Certificate of Origin is not required.

Brandy: the spirit obtained by the distillation of wine of grapes in the manufacture of which no

additional sugar has been added, or a mixture of such spirits, that has been aged in an oak receptacle for at least one year or in an oak cask with a capacity of less than 1000 L for at least 6 months and contains an alcoholic strength of not less than 36 percent by volume at 20 degree Celsius; cognac: brandy made in the Cognac region of France from grapes grown therein.

Whisky: the spirit obtained by distillation from a mash of cereal grains saccharified by the diastase of malt or other natural enzyme and fermented by the action of yeast, with or without the addition of flavoring or caramel, that has been aged in wood for at least 3 years and contains an alcoholic strength of not less than 40 percent by volume at 20 degree Celsius.

Health Certificates

Wine and spirit shipments to Hong Kong do not require a health certificate. However, the Hong Kong Center for Food Safety encourages shipments, regardless of food/beverage type, to include health certificates.

Labeling Requirements under the Food and Drugs (Composition and Labeling) Regulations

Fruit wine and beverages with alcohol content by volume of 10 percent or more are exempt from labeling requirements specified under the Food and Drugs (Composition and Labeling) Regulations.

Beverages with alcohol content by volume of more than 1.2 percent but less than 10 percent must provide the "best before date" on the drink label. Stickers are acceptable. Otherwise, these products are exempt from all other labeling requirements.

Marking of Certain Liquors

Port products that are not produced in the Alto Douro district in Portugal must supply the place of origin on every container. Sherry products not produced in Jerez de la Frontera, Spain, must clearly display the place of origin on every container.

o Labeling of Liquor under the Dutiable Commodities Regulations

Alcohol content must be labeled on every container of liquor¹ that is imported to, or manufactured in, Hong Kong for local consumption. If the liquor is imported into Hong Kong and not removed to a warehouse, the container must bear the alcohol content when the liquor is removed from the ship, aircraft, train or vehicle on which it is imported.

¹ The definition of liquors in this report is based on Hong Kong Ordinance Chapter 109 section 53: "liquor" means any liquid which contains more than 1.2% of ethyl alcohol by volume except-

⁽a) denatured spirits;

⁽b) any such liquid that is an ingredient in any goods, if that liquid cannot be converted to pure ethyl alcohol or to an intoxicating liquor or if such a conversion would not be economical

The labeling of alcohol content is not required if the liquor is imported in personal luggage for self- consumption.

o Voluntary Code of Practice on the Labeling of Alcoholic Drinks

Guidelines on the Code of Practice Regarding the Labeling of Alcoholic Drinks are available from Hong Kong authorities. This labeling guideline is provided to the trade to follow on a voluntary basis. For further details please refer to GAIN Report #HK5021.

Customs Facilitation Agreement

A Customs Facilitation Agreement between Hong Kong Customs and Excise Department and China's General Administration of Customs provides expedited customs clearance for wine exports to China from Hong Kong under the following conditions:

- (1) The Hong Kong exporter is registered with the Hong Kong Trade and Industry Department; and,
- (2) The product passes through designated ports in China. (Currently, only Shenzhen and Guangzhou implement this "Customs Facilitation Agreement".)

A September 2014 amendment to the "Customs Facilitation Arrangement" eliminated the condition that only designated Mainland importers registered with Chinese Customs could utilize this expedited clearance.

To qualify for registration, new enterprises must show that they have been engaged in wine trade in Hong Kong during the six months prior to the application. More established enterprises must show that they have engaged in wine trade in Hong Kong within the previous twelve months.

Hong Kong registered exporters may utilize the customs facilitation measures at the two designated ports, Shenzhen and Guangzhou, for wine entering China from Hong Kong. The measures facilitate clearance by:

- <u>Providing a pre-valuation of duties</u>: requesting China Customs to conduct a wine duty valuation 10 working days before the shipment is imported to China. When the shipment arrives in China, Chinese Customs will normally complete the customs procedure within one working day; and
- Expediting customs clearance: if no pre-valuation has been conducted, Customs will normally complete the clearance within three working days for wine that has been imported into China before, provided that all necessary documents have been submitted. For wine new to the China market, the relevant process will normally take seven working days. If customs clearance cannot be completed within the said timeframe, the Mainland importers may request release upon payment of a guarantee deposit.

Registered wine exporters may also use a newly developed web-based system for the submission

of advance consignment information to facilitate clearance on arrival at designated Chinese ports.

Registration is not required to export wine to China from Hong Kong but non-registered companies cannot access expedited clearance. Trade sources indicate that the existing customs clearance takes about 2 weeks in the absence of the "Customs Facilitation" measures.

Detailed information, including a list of registered Hong Kong wine exporters, is provided at: http://www.tid.gov.hk/print/english/import export/nontextiles/wine/

Macao

o Duties & Taxes

Macao does not impose duties on beverages with alcohol content lower than 30 percent (including wine and beer). For beverages exceeding 30 percent alcohol content, Macao applies a consumption tax of 10% CIF value plus 20 Macao Pecatas (about US\$2.58) per liter. The importer must pay the duty before the shipment arrives in Macao. Samples of alcoholic beverages exceeding 30 percent alcoholic content shipped to Macao, if less than 1 liter, are not required to pay any consumption tax.

License or Permit

Licenses or permits to import alcoholic drinks with alcohol content less than 30 percent by volume are not required.

Only Macao companies registered with the Economic Services Bureau are eligible to be an importer for beverages exceeding 30 percent alcohol content. Importers are required to submit a copy of the shipment invoice when applying for an import license. A license will be provided within three working days and is valid within 30 days.

Health Certificates

Health certificates are not required for the importation of alcoholic beverages. However, the Macao government welcomes imports accompanied by health certificates.

Labeling Requirements under the Food and Drugs (Composition and Labeling) Regulations

Beverages with alcohol content greater than 5% are exempt from labeling requirements. Beverages with less than 5 percent alcohol content must comply with Macao's labeling regulation.

Enquires for Liquor Importation:

Economic Services Bureau

Tel: 853-85972629 Fax: 853-28715954 Email: dlic@economia.gov.mo

Export

U.S. exporters can obtain information on export procedures and export documents, such as a Certificate of Origin and Certificate of Free Sale, from the Alcohol and Tobacco Tax and Trade Bureau at: http://www.ttb.gov/itd/exporting_alcohol.shtml

Certification requests may be mailed to the address below:

Alcohol and Tobacco Tax and Trade Bureau (TTB) International Trade Division Attn: Export Certificate Program 1310 G St. NW, Suite 400W Washington, DC 20220

You may also contact the International Trade Division by phone, at (202) 453-2260 or by e-mail at exportcertificates@ttb.gov.

References

ATO provides reports on Hong Kong's wine market at:

http://gain.fas.usda.gov/Pages/Default.aspx

The Hong Kong government has created a wine web page at the Hong Kong Economic and Trade Offices in the United States to promote the booming wine business in Hong Kong. It is available at:

http://www.hketousa.gov.hk/usa/wine/index.html