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Import Regulations on Alcoholic Drinks to Hong Kong and Macau

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Report Highlights:

This report provides general guidelines on import regulations for alcoholic beverages to Hong Kong and Macau. Spirits exports to Hong Kong and Macau are subject to an import duty, but wine and beer are not. Hong Kong exempts beverages with more than a 10 percent alcohol content from Hong Kong's labeling requirements, but requires that the alcohol content be stated on the product. In Macau, beverages with alcoholic content over five percent are exempt from Macau's labeling requirements, which are mandatory for all prepackaged food products. To facilitate wine re-exports from Hong Kong to Mainland China, a "Cooperation Arrangement on Customs Facilitation Measures for Wine Entering the Mainland through Hong Kong" ("Customs Facilitation Arrangement") exists. This trade facilitation measure has been extended to all ports in all 42 Customs Districts in Mainland China. This report was prepared for U.S. exporters by the Agricultural Trade Office of the USDA/Foreign Agricultural Service in Hong Kong. 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 before any goods are shipped, 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. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING REGION'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

HONG KONG

Duties

Beverages with less than 30 percent alcohol content, primarily wine and beer, are not subject to an excise duty. Beverages containing more than 30 percent alcohol content are subject to a 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.

Licenses and Permits

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 degrees Celsius are subject to licensing and permit control. Only licensed importers are eligible to import these products and an import permit is required for each shipment prior to arrival.

Certificates of Origin/Age Certificates

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

Brandy and whisky imports (see definition below) 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 Definition: 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 1,000 liters for at least six months and

contains an alcoholic strength of not less than 36 percent by volume at 20 degrees Celsius;

Cognac: brandy made in the Cognac region of France from grapes grown therein.

Whisky Definition: 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 three years and contains an alcoholic strength of not less than 40 percent by volume at 20 degrees 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 an alcohol content of 10 percent or more are exempt from labeling requirements specified under the Food and Drugs (Composition and Labeling) Regulations.

Beverages with an alcohol content 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.

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 moved 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 the alcohol content by volume is not required if the liquor is imported in personal luggage for personal consumption.

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 from Hong Kong to Mainland China 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 Mainland China. Currently, the customs facilitation measures have been extended to all ports in all 42 Customs Districts in China.

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 the wine trade in Hong Kong during the six months prior to the application. More established enterprises must show that they have engaged in the wine trade in Hong Kong during the previous twelve months.

Hong Kong-registered exporters may utilize the customs facilitation measures for wine entering Mainland China from Hong Kong. The measures facilitate clearance by:

• Providing a pre-valuation of duties: requesting Chinese Customs to conduct a wine duty valuation 10 working days before the shipment is imported to Mainland China. When the shipment arrives in Mainland 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 Mainland 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 have to use a 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 Mainland China from Hong Kong, but non-registered companies cannot access expedited clearance. Trade sources indicate that the existing customs clearance takes about two weeks in the absence of the "Customs Facilitation" measures.

Detailed information, including a list of registered Hong Kong wine exporters, is provided at the <u>webpage</u> of the Hong Kong Trade and Industry Department.

Restriction on Underage Drinking

The Liquor Licensing Board is a statutory body established under the Dutiable Commodities (Liquor) Regulations responsible to consider applications for liquor licenses and club liquor licenses. (In 2017, there were about 8,000 restaurants, pubs, bars, and clubs licensed to sell liquor for consumption on the premises.) All licensed premises including restaurants and clubs are prohibited to supply or serve intoxicating liquor to young people less than 18 years of age.

While Hong Kong does not allow restaurants to sell liquor to minors consuming on the premises, retailers still have no restrictions to sell liquor to young people until the implementation of a relevant amended regulation which is expected to come into force before 2019. In a move to tackle a rise in underage drinking, Hong Kong enacted an ordinance amendment by restricting retail sales of intoxicating drinks to young people under the age of 18. The amended ordinance was enacted in February 2018 and the implementation date has yet to be announced. It is expected to be in effect before the end of 2018.

The definition of liquor means any liquid which contains more than 1.2 percent of ethyl alcohol by volume.

MACAU

Duties & Taxes

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

License or Permit

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

Only Macanese 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 for 30 days.

Health Certificates

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

Labeling Requirements

Beverages with alcohol content greater than five percent are exempt from Macau's labeling requirements which are applicable for all prepackaged foods. Beverages with less than a five percent alcohol content must comply with the labeling regulation.

Enquires for Liquor Importation: Economic Services Bureau Tel: 853-85972629 Fax: 853-28715954 Email: <u>dlic@economia.gov.mo</u>

Restriction on Underage Drinking

There is no minimum drinking age limit in Macau.

U.S. EXPORT PROCEDURES

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

The ATO provides a report on Hong Kong's wine market.