Appendix I

Air Transhipment Cargo Exemption Scheme for Specified Strategic Commodities ("The Scheme")

In accordance with the Import and Export Ordinance (Cap. 60) (hereafter referred to as "the Ordinance") and the Import and Export (Strategic Commodities) Regulations (Cap. 60G) (hereafter referred to as "the Regulations"), the Air Transhipment Cargo Exemption Scheme for Specified Strategic Commodities (hereafter referred to as "the Scheme") covers specified strategic commodities listed in Schedule 1 to the Regulations, except products listed in Schedule 2 to the Regulations, which are **"air transhipment cargo"** (see definition below), and which **remain within the confines of the "cargo transhipment area of Hong Kong International Airport"** (see definition below) pending onward flights. **The licensing requirement for the import and export of strategic commodities specified in Schedules 2, 3 and 4 of the Regulations and those other than on the air-to-air transhipment mode will not be affected by the Scheme.**

Definition of Air Transhipment Cargo

Air transhipment cargo as defined in the Ordinance is extracted as follows :

"air transhipment cargo"（航空轉運貨物）means transhipment cargo that is both imported and consigned for export in an aircraft and which, during the period between its import and export, remains within the cargo transhipment area of Hong Kong International Airport;

"transhipment cargo" （轉運貨物） means any imported article that –

(a) is consigned on a through bill of lading or a through air waybill from a place outside Hong Kong to another place outside Hong Kong; and

(b) is or is to be removed from the vessel, aircraft or vehicle in which it was imported and either returned to the same vessel, aircraft or vehicle or transferred to another vessel, aircraft or vehicle before being exported, whether it is or is to be transferred directly between such vessels, aircraft or vehicles or whether it is to be landed in Hong Kong after its importation and stored, pending exportation;

"cargo transhipment area of Hong Kong International Airport" （機場貨物轉運區） means :

(a) any part of Hong Kong International Airport that is designated under section 35 of the Aviation Security Ordinance (Cap. 494) as a restricted area; and

(b) any area approved by the Commissioner of Customs and Excise under section 2AA of the Import and Export Ordinance (Cap. 60);

"Hong Kong International Airport" （香港國際機場） means the airport referred to in section 5(1)(a) of the Airport Authority Ordinance (Cap. 483).

Scope of Exemption

Section 6A(3)(b) of the Ordinance and regulation 2(2)(b) and 2A of the Regulations provide that the licensing control imposed under section 6A(2) of the Ordinance and regulation 2(1) of the Regulations does not apply to an article of air transhipment cargo listed in Schedule 1 to the Regulations, except an article specified in Schedule 2, which is imported or exported by a person to whom an exemption has been granted under regulation 2A of the Regulations with respect to the transhipment of that article. If the Director-General of Trade and Industry is satisfied that a person is engaged in the business of dealing in air transhipment cargo, he may exempt in writing, with respect to the transhipment of any article specified in that exemption, that person from the licensing requirement under section 6A(2) of the Ordinance and regulation 2(1) of the Regulations.

Transhipment of strategic commodities not granted exemption under the Scheme must be covered by an import and export licence.

Importation of strategic commodities from their place of origin or exportation to their destination or transhipment route that are subject to the United Nations Sanctions Ordinance (Cap. 537) are not eligible for any licensing exemption under this Scheme.