New China/Hong Kong Frequently Asked Questions (FAQs) Published on February 19, 2021

Q. Is Hong Kong treated separately from China under the Export Administration Regulations (EAR)?

A. Due to the amendment made in the EAR on December 23, 2020, Hong Kong is generally treated as any other city in mainland China under the EAR, following the Secretary of State's pronouncement on May 27, 2020 that Hong Kong is no longer considered sufficiently autonomous from China to justify separate treatment under the Export Control Reform Act of 2018. While this means that license requirements for Hong Kong are the same as those for China, there are some places in the EAR where special procedural requirements apply to transactions involving Hong Kong.

Q. My company suspended the shipment of items to Hong Kong that were to be made under a license exception after June 30, 2020. What license exceptions can I now use for Hong Kong?

A. You may continue to use license exceptions that include China as an eligible destination when shipping items to Hong Kong, as noted in the <u>December 23, 2020 publication</u>. Otherwise, you must obtain a license from the Bureau of Industry and Security (BIS) for any shipments to Hong Kong that require a license when destined for China.

Q. My products have never required a license (NLR) for export to Hong Kong or reexport from Hong Kong. Do these items now require a license?

A. You must review the EAR to determine if a license would be required if your products are being shipped to China, or if a license exception is available for China. If a license is required and no license exception is available for your products when being exported to China, then a license is required for exporting the items to Hong Kong. You are strongly advised to keep in mind that items controlled under Section 744.21 of the EAR, or under Section 742.7 of the EAR, require a license to Hong Kong, and such applications will be reviewed under a general policy of denial.

Q. Now that Hong Kong is considered to be the same as China for export control purposes, who do I contact about my export to Hong Kong?

A. You are advised to contact the same technical experts you would contact for exports to any other Chinese city, whose names and contact information may be found here, https://www.bis.doc.gov/index.php/documents/about-bis/1003-export-administration-contact-directory/file

Q. Does the Hong Kong recordkeeping requirement published on January 19, 2017 still apply?

A. Yes, it still does. A separate series of FAQs is available on the BIS website.