

# HKSAR Government responds to US report

In response to the sections on Hong Kong as set out in the 2019 National Trade Estimate (NTE) Report issued by the United States Trade Representative last Friday (March 29), a Government spokesman made the following remarks today (April 2):

The NTE Report made an inaccurate statement about Hong Kong due to its misinterpretation of the World Trade Organization (WTO) requirement for Members to submit Checklist of Issues replies to the WTO Committee on Customs Valuation. Our Economic and Trade Offices in Washington and Geneva immediately followed up with the relevant US authorities on April 1 to convey our concerns over the inaccurate information and clarify that Hong Kong has, since 1996, fulfilled its notification obligations under the WTO Customs Valuation Agreement.

In point of fact, Hong Kong is a free port and does not impose any customs duties on imported goods. We therefore do not have any laws, regulations or administrative procedures for valuing goods for customs duties purposes. In accordance with the relevant WTO agreement, Hong Kong has duly made the relevant notifications to the WTO in 1996. As there has been no change to our policy since, there is simply no need for Hong Kong to submit further notifications to the WTO or reply to the Checklist of Issues which concerns individual WTO Members' valuation systems for the collection of customs duties.

As a founding member and staunch supporter of the WTO, Hong Kong takes its obligations and rights seriously. We also attach great importance to fulfilling the notification requirements under all WTO Agreements and maintain a good track record of submitting timely notifications to the WTO.

On the other hand, we acknowledge the positive remarks made in the NTE Report on Hong Kong's efforts in the protection of intellectual protection rights (IPR). The Report recognises Hong Kong's robust IPR protection and enforcement, our dedicated and effective enforcement capacity, our judicial system that supports enforcement efforts with deterrent fines and criminal sentences, and our youth education programmes that discourage IPR-infringing activities.

The NTE Report mentioned the Hong Kong Special Administrative Region Government's unsuccessful attempts to update our copyright system. That the two amendment bills we introduced in 2011 and 2014 to reform the copyright regime had not been approved by the Legislative Council reflects the controversial nature of copyright issues, where it is difficult to achieve a meeting of minds between the copyright owners and users. That has not deterred our efforts to enhance our copyright regime as appropriate to meet international standards. Our recent proposals to amend the Copyright Ordinance to enhance the copyright exceptions for persons with a print disability, so as to meet the standards under the Marrakesh Treaty, is a testimony to our determination and efforts. On the enforcement front, the

Customs and Excise Department (C&ED) will continue to take rigorous enforcement actions against online piracy, so as to protect the legitimate interests of copyright owners.

As to the issue of counterfeit products mentioned in the NTE Report, as any law enforcement agency could readily testify, combating effectively the transnational flow of such products requires the joint and close collaboration of various stakeholders and different jurisdictions. In this regard, the C&ED has signed memoranda of co-operation with major courier operators to strengthen co-operation with the express courier industry to intercept infringing shipments. The C&ED will also continue to enhance its co-operation with IP enforcement authorities in other jurisdictions, including the US, in combating the transnational flow of infringing goods.