



AEO MRA Signed between China and Hong Kong

An agreement on the mutual recognition of Authorized Economic Operators (AEOs) was signed in Beijing between the General Administration of Customs (GAC) of China and the Customs and Excise Department (C&ED) of Hong Kong on October 29, 2013. It is expected that the Arrangement, while promoting a secure and seamless flow of goods across the Mainland-Hong Kong boundary, will enhance the trade competitiveness of local companies. For instance, under the Mutual Recognition Arrangement (MRA), local companies accredited by either side as AEOs can enjoy Customs clearance facilitation, such as reduced examination or prioritized clearance, for their goods traded between Mainland China and Hong Kong.

According to Mr. Clement Cheung, the Commissioner of the C&ED, who personally signed the Agreement together with Mr. Sun Yibiao, the Vice-Minister of the GAC, it was the first MRA that Hong Kong Customs has reached with other Customs administrations.

The Mainland is the most important trading partner of Hong Kong. In 2003, the Central Government of China signed the Closer Economic Partnership Arrangement (CEPA) with the Government of the Special Administrative Region of Hong Kong. Since then, CEPA has been playing an important role in trade facilitation by cutting Customs duties on many products exported

and originated from Hong Kong to China. Now, the measures provided under the AEO MRA will consolidate the facilitation by simplifying and expediting Customs formalities. Together, they can help Hong Kong companies to tap into the vast Mainland market more efficiently.

In addition to bringing more business opportunities to the import/export and logistics industries, the implementation of the AEO program in Hong Kong helps provide a safer and more efficient trading environment, thereby strengthening Hong Kong's position as a leading international logistics hub and eventually supporting its long-term economic development.

Reference

GAC News, November 1, 2013.