

## **Regulatory Alert: Department of Commerce Changes for Hong Kong SAR, China**

**Q 1** - When is this new Hong Kong SAR, China EEI policy effective?

A 1 - The rule is effective December 23, 2020.

**Q 2** – Are there impacts to how exports to Hong Kong SAR, China and the required EEI filing requirements are now made by US shippers?

A 2 – Yes, the current EEI filing requirements for China apply to exports to Hong Kong SAR, China. These are found in 758.1(b)10 and became effective Dec. 23, 2020.

**Q 3** - If I am exporting an item valued < \$2500 to Hong Kong SAR, China but it is now treated similar to China, do I still need to file an EEI?

A 3 - The answer depends on if the item being exported requires an ECCN. If the shipper has classified their item under the Export Administration Regulations (EAR) and determined their item requires an ECCN, then the answer is YES.

If the item being exported to Hong Kong SAR, China requires an ECCN, the EEI must be filed regardless of the value. The \$2500 value EEI exemption threshold does NOT apply in that specific scenario for Hong Kong SAR, China OR China.

If the item being exported is an EAR99 article the answer is NO..... for items valued LESS THAN \$2500. Obviously, if the U.S. exporter is exporting MORE than \$2,500 worth of ANY COMMODITY to ANY destination, then the EEI filing or applicable FTR exemption is required.

**Q 4** - Who is responsible for determining whether a shipment commodity is required to have an ECCN or an export license?

A 4 - The exporter is responsible for ensuring that any export complies with US laws and regulations. As such, the exporter must classify the goods, technology or software being shipped to determine whether an export license is required.