



**BIS UPDATE 2017** CONFERENCE ON EXPORT CONTROLS AND POLICY



## *Hong Kong*

John Haberstock  
Regional Export Control Officer  
U.S. Commercial Service  
U.S. Consulate Hong Kong & Macau



U.S. DEPARTMENT OF COMMERCE • BUREAU OF INDUSTRY AND SECURITY

**BIS UPDATE 2017** CONFERENCE ON EXPORT CONTROLS AND POLICY

## Strategic Trade Control Laws

- Hong Kong – Trade and Industry Department has specific import and export requirements  
[www.stc.tid.gov.hk/eindex.html](http://www.stc.tid.gov.hk/eindex.html)
- Japan – Ministry of Economy, Trade and Industry has its own prohibited end-user list:  
[www.meti.go.jp/english/press/2014/0401\\_01.html](http://www.meti.go.jp/english/press/2014/0401_01.html)
- Taiwan – Bureau of Foreign Trade  
[www.trade.gov.tw/english/](http://www.trade.gov.tw/english/)



U.S. DEPARTMENT OF COMMERCE • BUREAU OF INDUSTRY AND SECURITY

## Diversion: HK Front Companies



- Large infrastructure of corporate secretary firms and forwarding companies.
- HK IS ALMOST NEVER THE FINAL DESTINATION.
- Business registration requires limited documentation.
- Major challenge for ECO Hong Kong to determine the ultimate end user and end destination of U.S items.



## U.S. Regulatory Changes to Hong Kong



***BIS Final Rule on Hong Kong*** published January 19, 2017  
and ***became effective on April 19, 2017.***

- U.S. exports controlled on the CCL for NS, MT, NP1 or CB reasons require Hong Kong import license and/or Hong Kong reexport license.
- Rule does not impose new license requirements; enforces Hong Kong Government Strategic Trade Control Laws already in effect.



## Case Study 1

- PSV for Optical Fiber shipped under license exception Strategic Trade Authorization (STA).
- Company not registered in Hong Kong.
- Online search finds company HQ is in PRC.
- ECO visits company address on end user statement:

Residential building



## Case 1 (continued)

### Resident is not the end user

- Operates a freight forwarding business out of home, and forwards packages for company.
- No knowledge of end user statement
- No knowledge of export control regs.
- Never applied for a HK import/export license.
- Never had direct contact with U.S. exporter.



## Case 1 (continued)

HK Freight Forwarder Calls Recipient on Mainland

- Company admitted they used his information on the end user statement .
- In possession of optical fiber; returned to the U.S.



Mainland company and HK freight forwarder deemed unreliable recipients of U.S.-origin items.



## Lessons Learned

- 1) STA: Understand and explain license exceptions.
- 2) Confirm ultimate end user.
- 3) Basic online research shows company is not registered in Hong Kong; shipment location is a residence. Utilize local database and information resources to better vet your clients.



## Case Study 2: Taiwan

- EUC request for A/D Converters supposedly sent to SCT Taiwan.
- U.S. headquartered company acquired SCT and its parent company, ATM. Internal audit revealed missing documents.
- Items not purchased by SCT but by Chinese firm.
- Chinese firm point-of-contact is an employee in parent company ATM.
- EUC reveals ATM employee directed SCT to forge purchase orders.

Result of PSV was unfavorable; ECO recommended U.S. company conduct internal investigation.



## Lessons Learned

- 1) Obtain clear and detailed information about who the actual purchase company is and where they are located.
- 2) Pay attention to the purchase orders and other documents in the transactions. Make sure that all the information is credible.



## BIS UPDATE 2017 CONFERENCE ON EXPORT CONTROLS AND POLICY

# Company Registry Search

Limited Company Only

CR No.	Company Name	Name Type (For registered Name in-Hong Kong company)	Current Status	Company Active Status
0684092	ABC 123 INTERNATIONAL GROUP LIMITED	-	Current	Dissolved
0524297	ABC123 LIMITED	-	Current	Dissolved
1791488	ABC123 LIMITED	-	Current	Live
0938788	ABC 2005 PROMOTION LIMITED	-	Current	Dissolved
0913516	ABC 21 (HK) CO., LIMITED	-	Current	Dissolved
2238790	ABC ADVANCE-TECHNOLOGY CO., LIMITED	-	Current	Dissolved
0270744	ABC AIR CARGO GUIDE LIMITED	-	Current	Dissolved
2149953	ABCA Limited	-	Current	Dissolved
0351207	A B C ALLIANCE BUSINESS COMPANY LIMITED	-	Current	Dissolved

**Company Name Search Details:**

- CR No.: 0684092
- Company Name: ABC 123 INTERNATIONAL GROUP LIMITED
- Company Type: Private company limited by shares
- Date of Incorporation: 02-AUG-1999
- Active Status: Dissolved
- Remarks: Dissolved by Striking Off
- Winding Up Mode: -
- Date of Dissolution: 17-FEB-2006
- Registrar of Charges: Unavailable
- Important Note: -

**Company Name History:**

Effective Date	Name Used
02-AUG-1999	ABC 123 INTERNATIONAL GROUP LIMITED

**Remarks:**

- Registration of a company name with the Companies Registry does not confer any mark rights or any other intellectual property rights in respect of the company name or any part thereof. You may search the trade mark records at the Online Search Site of the Intellectual Property Department at <http://ipsearch.ipd.gov.hk/>.
- A list of the companies which have failed to comply with the directions of the Registrar to change their company names is available at the Companies Registry website at [www.crs.gov.hk/en/statistics/lostnames.pdf](http://www.crs.gov.hk/en/statistics/lostnames.pdf).

U.S. DEPARTMENT OF COMMERCE • BUREAU OF INDUSTRY AND SECURITY

You can find the company details such as address and director via buying company image record

**Companies Registry Electronic Search Services**

You can visit the Companies Registry's Cyber Search Centre to conduct company searches on the current data of registered companies and image records of documents registered and kept by the Registrar of Companies.

## BIS UPDATE 2017 CONFERENCE ON EXPORT CONTROLS AND POLICY

# Business Registration Search

All Business in HK – Sole Proprietorship, Partnership and Limited Company etc.

**GovHK 香港政府一站通**

**Step 1 - Business Registration Number Enquiry and Application for Supply of Information on the Business Register**

**Step 2 - Select Service**

**Step 3 - Enter Business Name and Area**

Please enter full Company Name \* ABC 123 Limited

Please select the Business Address Area \* ALL AREAS

Please enter the characters as shown in the image \* cm9r

**GovHK 香港政府一站通**

**Step 1 - Business Registration Number Enquiry and Application for Supply of Information on the Business Register**

These show 2 records matching the information you have entered. Please identify your target business from the address information below and click on the relevant link to obtain the business registration number. If you cannot find your target business from the selected Business Address Area, please start a new search by selecting another Area.

Record No.	Address
1	UNIT ** "F BRIGHT WAY TOWER NO. 33 MONG KOK RD KL
2	UNIT *** "F BUK 6 TERRA VERDE TRING YINT

**GovHK 香港政府一站通**

**Step 1 - Business Registration Number Enquiry and Application for Supply of Information on the Business Register**

Particulars of your target business:

**Step 3 - Business Registration Number Enquiry**

Business Registration No. 00272403 - 000

Name of Business / Corporation (Chinese) ABC123 LIMITED

Name of Business / Corporation (English) ABC123 LIMITED

It is recommended that you print a hard copy of this page for reference.

**1. Only full name search function**

**2. If same name, it will show all the registered addresses**

**3. If the company is correct, you can buy the business registration information which shows the owner and full registered address details.**

U.S. DEPARTMENT OF COMMERCE • BUREAU OF INDUSTRY AND SECURITY

**Online Business Registration Number Enquiry**

Search for Business Registration Numbers free of charge by entering the full company name and business address area code here.

## Red Flag indicators

- No company registration in Hong Kong and/or similar company in mainland.
- Address is shared with multiple companies.
- Purchaser info does not match company (Chinese number).
- Director is from North Korea, Iran, or other country of diversion concern.
- End-user address is incomplete.
- Suspicious or vague End-User Statements with no stamp.
- Deal too good to be true.
  - Priced above market rate, or sale does not follow typical negotiation pattern.



## Best Practices – Hong Kong

- Understand the local market.
- Visit/call/verify online or thru third parties.
- Identify end user as ultimate consignee AES.
  - Secretarial firms and freight forwarders are NOT Ultimate Consignees.
- Conduct open source research on the line of business and supply chains for military links.
- Obtain a copy of the import license and export license for multilaterally-controlled items. (BIS 2017 FINAL RULE ON HK)



## Resources

- Business Registration Search & Companies Registry Search  
<https://www.gov.hk/en/business/registration/businesscompany/index.htm>
- Company Search – Hong Kong Trade Development Council  
– [www.hktdc.com](http://www.hktdc.com)
- Hong Kong Trade and Industry Department:  
[www.tid.gov.hk/eindex.html](http://www.tid.gov.hk/eindex.html)
- Hong Kong Customs:  
[www.customs.gov.hk/en/trade\\_controls/control/index.html](http://www.customs.gov.hk/en/trade_controls/control/index.html)
- Hong Kong Export Control Ordinance/Regulations (Chapter 60): [www.legislation.gov.hk/eng/home.htm](http://www.legislation.gov.hk/eng/home.htm)



## Thank You!

Consulate General Hong Kong & Macau

[John.Haberstock@trade.gov](mailto:John.Haberstock@trade.gov) or

[Carrie.Chan@trade.gov](mailto:Carrie.Chan@trade.gov)

[www.export.gov/hongkong](http://www.export.gov/hongkong)

[www.bis.doc.gov](http://www.bis.doc.gov)

