

Free Trade Agreement and Investment Agreement between Hong Kong and ASEAN take effect for the Philippines

A Government spokesman said today (March 31) that the part relating to the Philippines under the Free Trade Agreement (FTA) and the Investment Agreement (IA) between Hong Kong and the Association of Southeast Asian Nations (ASEAN) will take effect on May 12.

On trade in goods under the FTA, the Philippines will progressively eliminate and reduce customs duties on goods originating from Hong Kong. The tariff commitments made by the Philippines cover different kinds of Hong Kong commodities, including jewellery, articles of apparel and clothing accessories, watches and clocks and toys. To enjoy the preferential tariff treatment for exporting Hong Kong goods to the Philippines under the FTA, Hong Kong traders need to comply with the relevant preferential rules of origin and fulfil the related requirements. Applications for certificates of origin should be made to the Trade and Industry Department (TID) or Government Approved Certification Organizations of Hong Kong. For details, please refer to the relevant trade circulars issued by the TID at www.tid.gov.hk/english/aboutus/tradecircular/coc/2020/coc2020.html.

On trade in services, Hong Kong service providers will enjoy better business opportunities and legal certainty in market access for a comprehensive range of services sectors in the Philippines under the FTA. These include services sectors in which Hong Kong has traditional strengths or has potential for development, including business services, telecommunications services, construction and related engineering services, financial services, tourism and travel related services and transport services.

Under the IA, the Philippines will provide Hong Kong enterprises investing in its area with fair and equitable treatment of their investments, physical protection and security of their investments as well as the assurance of the free transfer of their investments and returns. In case of expropriation or investment loss owing to war, armed conflict or similar event, the Philippines will also provide compensation to Hong Kong enterprises investing in its area according to the agreed standard as specified under the IA.

With the entry into force for the part relating to the Philippines, there will be a total of seven ASEAN member states (viz. Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) for which both the FTA and the IA have taken effect. The dates of entry into force for the remaining three ASEAN member states (viz. Brunei Darussalam, Cambodia and Indonesia) will be announced as soon as they are confirmed.

For the texts and the key features of the FTA and the IA, please refer to the website of the TID at www.tid.gov.hk/english/ita/fta/hkasean/index.html.