

Investment Agreement between Hong Kong and ASEAN enters into force

A Government spokesman said today (May 16) that those parts relating to Hong Kong and five Association of Southeast Asian Nations (ASEAN) member states, namely Laos, Myanmar, Singapore, Thailand and Vietnam, under the Investment Agreement (IA) between Hong Kong and ASEAN, will enter into force on June 17.

Upon the entry into force of the IA, Laos, Myanmar, Singapore, Thailand and Vietnam will provide Hong Kong enterprises investing in their areas with fair and equitable treatment of their investments, physical protection and security of their investments, and the assurance on the free transfer of their investments and returns. In case of expropriation or investment loss owing to war, armed conflict or similar events, the above-mentioned five ASEAN member states will also provide compensation to Hong Kong enterprises investing in their areas according to the agreed standard as specified under the IA.

Meanwhile, parts relating to two more ASEAN member states under the Free Trade Agreement (FTA) between Hong Kong and ASEAN will enter into force on June 11, namely Laos and Vietnam. The Government earlier announced that parts relating to Hong Kong, Myanmar, Singapore and Thailand will enter into force on that date. In other words, parts relating to Hong Kong and the five ASEAN member states (Laos, Myanmar, Singapore, Thailand and Vietnam) will take effect on June 11.

Upon the implementation of the FTA, Singapore will bind all its customs duties at zero, whereas Laos, Myanmar, Thailand and Vietnam will progressively reduce or eliminate their customs duties on goods originating from Hong Kong. The tariff reduction commitments cover various kinds of Hong Kong commodities including jewellery, articles of apparel and clothing accessories, watches and clocks and toys.

To enjoy the preferential tariff treatment of trade in goods 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/2019/coc2019.html.

On trade in services, upon the implementation of the FTA and in respect of Laos, Myanmar, Singapore, Thailand and Vietnam, Hong Kong service providers will enjoy legally binding market access conditions, and thus benefit from the enhanced business opportunities in a wide range of services sectors. These include services sectors in which Hong Kong has traditional strengths or potential for development, such as professional services,

business services, telecommunications services, construction and related engineering services, educational services, financial services, tourism and travel related services, transport services and arbitration services.

ASEAN comprises 10 member states, namely Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Hong Kong and ASEAN signed the FTA and the IA at the end of 2017. For the texts and the key features of the two agreements, please refer to the website of the TID at www.tid.gov.hk/english/ita/fta/hkasean/index.html.

The dates of entry into force for the remaining five ASEAN member states (Brunei Darussalam, Cambodia, Indonesia, Malaysia and the Philippines) will be announced as soon as they are confirmed.