

No. 18100

**UNITED STATES OF AMERICA
and
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
(ON BEHALF OF HONG KONG)**

**Exchange of letters constituting an understanding relating
to trade in non-rubber footwear (with annexes). Hong
Kong, 24 October 1978**

Authentic text: English.

Registered by the United States of America on 14 November 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
(AU NOM DE HONG-KONG)**

**Échange de lettres constituant un accord relatif au commerce
de chaussures en matériaux autres que le caoutchouc
(avec annexes). Hong-Kong, 24 octobre 1978**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 14 novembre 1979.

EXCHANGE OF LETTERS CONSTITUTING AN UNDERSTANDING¹
BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (ON
BEHALF OF HONG KONG) RELATING TO TRADE IN NON-RUBBER
FOOTWEAR

I

*The Hong Kong Director of Trade, Industry and Customs
to the American Consul General*

FROM THE DIRECTOR
TRADE INDUSTRY AND CUSTOMS DEPARTMENT
HONG KONG

24 October 1978

Dear Mr. Shoemsmith,

I attach a copy of an Order made on 13 October 1978 under the Import and Export (General) Regulations. The effect of this Order is to require all footwear exported from Hong Kong to be subject to licensing except for goods which are in transit.

2. Following consultations between representatives of the Government of Hong Kong and the Government of the United States in Hong Kong in August, and in Washington in September 1978,

Having regard to the agreements which the Government of the United States has entered into with certain countries on trade in non-rubber footwear,

In view of the concern expressed by the Government of the United States regarding increased exports of such products from Hong Kong to the United States,

In view of the traditional role of Hong Kong as an entrepot,

In view of the need to distinguish between non-rubber footwear which meets the origin criteria of the Government of Hong Kong and other exports from Hong Kong of non-rubber footwear,

The Government of Hong Kong has decided to introduce by 15 October 1978 if possible but not later than 1 November 1978 as a condition for the issue of a licence of export to the United States of the non-rubber footwear listed in Annex I of Hong Kong origin as defined in Annex II that exporters shall obtain a Certificate of Hong Kong Origin issued by the competent authorities in Hong Kong. These authorities are listed in Annex III.

3. The Certificate of Hong Kong Origin will be in the form set out in Annex IV. The words "Made in Hong Kong" which appear in the Certificate of Hong Kong Origin mean that all the manufacturing processes listed in Annex II have been carried out in Hong Kong and the officer authorized to sign the Certificate of Hong Kong Origin has satisfied himself to this effect.

¹ Came into force on 24 October 1978 by the exchange of the said letters.

4. It is the understanding of the Government of Hong Kong that the United States authorities will accept entry of all such products when accompanied by a valid Certificate of Hong Kong Origin issued by the competent authorities in Hong Kong as earlier discussed and as elaborated in your letter to the Government of Hong Kong of today's date and when other appropriate United States entry requirements are met. Procedures will be introduced where the facts allow, to provide for the issue or re-issue of Certificates of Hong Kong Origin in cases where such certificates are lost or shipments are otherwise unaccompanied by valid Certificates of Hong Kong Origin.

5. It is the understanding of the Government of Hong Kong that nothing in these administrative arrangements shall preclude either government from exercising its GATT¹ rights. Should either government contemplate exercising its GATT rights, it shall afford full opportunity to the other for prior consultation. In critical circumstances where delay would cause damage difficult to repair, GATT rights may be exercised provisionally without prior consultations on the condition that consultations shall be effected immediately after taking the action.

6. In any consultations, the Governments of the United States and Hong Kong shall seek mutually acceptable arrangements to meet the concerns of the United States.

7. Notwithstanding paragraph 5 above, the Government of Hong Kong will not demur should the Government of the United States, in order to maintain the effectiveness of its agreements with certain other countries, which would otherwise be disrupted, deny entry of imports from Hong Kong of the non-rubber footwear listed in Annex 1 of your letter of today's date when such products are not accompanied by a valid Certificate of Hong Kong Origin.

8. It is the understanding of the Government of Hong Kong that either government may request consultations to meet the concerns of either government at any time on any matters arising from these arrangements.

9. The Government of Hong Kong understands that these arrangements will be reviewed by both governments no later than 30 June 1979.

10. The Government of Hong Kong understands that these arrangements shall remain in force until 30 June 1981 unless earlier modified or terminated after consultations and without objection by either party, or unless terminated by either party on giving 60 days' prior written notice to the other party.

11. This letter and your letter of today's date on behalf of the Government of the United States shall constitute an understanding between the Governments of the United States and Hong Kong with regard to the administrative actions set forth in these letters.

12. Accept, Sir, the renewal of my highest consideration.

Yours sincerely,

[Signed]

D. H. JORDAN

Mr. Thomas P. Shoemith
Consul-General
Consulate-General of the United States of America
Hong Kong

¹ United Nations, *Treaty Series*, vol. 55, p. 187.

ANNEX I

NON-RUBBER FOOTWEAR

<i>Description</i>	<i>HKIEC No.</i>
I. Footwear of leather (except footwear with uppers of fibres)	ex 851023
	ex 851024
	851027
	851028
	ex 851029
II. Footwear of plastics	851012
	ex 851014 (Note 1)
	ex 851015 (Note 2)
	ex 851021 (Note 3)
	ex 851022 (Note 3)
	ex 851023
	ex 851024
	ex 851029
III. Footwear with uppers of fibres and soles of materials other than rubber and footwear of wood and other materials not described above, except footwear with soles and uppers of wool felt and disposable footwear designed for one time use	ex 851021 (Note 3)
	ex 851022 (Note 3)
	851026
	851030
	851040 (Note 4)
	851050

NOTE 1: Excluding thonged sandals of plastic materials falling within HKIEC No. 851014.

NOTE 2: Excluding protective footwear (i.e., hunting boots, galoshes, rainwear and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather) of plastic materials falling within HKIEC No. 851015.

NOTE 3: Excluding footwear with textile uppers and soles of rubber or plastic materials falling within HKIEC No. 851021 and 851022.

NOTE 4: Excluding footwear of wool felt and disposable footwear falling within HKIEC No. 851040.

ANNEX II

DEFINITION OF HONG KONG ORIGIN

Non-rubber footwear may be certifiable as of Hong Kong origin if it has undergone all of the following processes in Hong Kong:

- (1) The footwear upper is made in Hong Kong;
- (2) the sole is made in Hong Kong; and
- (3) the upper and the sole are assembled in Hong Kong into the final product.




ANNEX III

APPROVED CERTIFICATE OF ORIGIN ISSUING AUTHORITIES

The organisations designated by the Hong Kong Government as competent to issue Certificates of Origin under Article 11 of the International Convention for the Simplification of Customs Formalities 1923 are:

- (1) Trade Industry and Customs Department
- (2) Hong Kong General Chamber of Commerce
- (3) Indian Chamber of Commerce, Hong Kong
- (4) Federation of Hong Kong Industries
- (5) Chinese Manufacturers' Association of Hong Kong
- (6) Chinese General Chamber of Commerce

Annex IV


EXPORTER (Full Name & Address)		 <p>Certificate No.</p> <p>GOVERNMENT OF HONG KONG</p> <p>CERTIFICATE OF HONG KONG ORIGIN</p>	
CONSIGNEE (If required)			
Carrier	Port of Loading	Date of Departure	Country of Destination
Port of Discharge	Final Destination. If on Carriage	(on or about)	Factory Number
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight (in words and figures)	Brand Names or Labels (if any)
<div style="border: 2px solid black; padding: 10px; display: inline-block; font-size: 2em; font-weight: bold; letter-spacing: 0.5em;">SPECIMEN</div>			
I hereby certify that the goods described above were made in Hong Kong.			
			
..... DIRECTOR OF TRADE INDUSTRY & CUSTOMS =for Director of Commerce and Industry=			

ORIGINAL — GREEN
 DUPLICATE — YELLOW
 TRIPLICATE — LIGHT BLUE


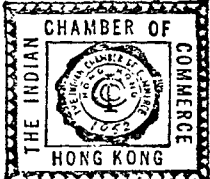
CROWN COPYRIGHT RESERVED

C. & I. 36 (Rev.)

ORIGINAL

EXPORTER (Full Name & Address)		<div style="display: flex; justify-content: space-between; align-items: center;">  Certificate No. </div> <p>ISSUED BY THE HONG KONG GENERAL CHAMBER OF COMMERCE</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px 0;"> <i>Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923.</i> </div> <h2 style="text-align: center; margin: 0;">CERTIFICATE OF HONG KONG ORIGIN</h2>	
CONSIGNEE (If required)			
Carrier	Port of Loading	Date of Departure	Country of Destination
Port of Discharge	Final Destination. If on Carriage	(on or about)	Factory Number
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight (in words and figures)	Brand Names or Labels (if any)
<div style="border: 2px solid black; padding: 10px; font-size: 2em; font-weight: bold; opacity: 0.5;"> SPECIMEN </div>			
I hereby certify that the goods described above were made in Hong Kong.			
_____ FOR THE HONG KONG GENERAL CHAMBER OF COMMERCE			
_____ DATE			

CC1

EXPORTER (Full Name & Address)		 Certificate No. _____	
CONSIGNEE (If required)		ISSUED BY THE INDIAN CHAMBER OF COMMERCE HONG KONG Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923 CERTIFICATE OF HONG KONG ORIGIN ORIGINAL	
Carrier	Port of Loading	Date of Departure	Country of Destination
Port of Discharge	Final Destination. If on Carriage	(on or about)	Factory Number
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight (in words and figures)	Brand Names or Labels (if any)
<div style="font-size: 4em; transform: rotate(-15deg); opacity: 0.5;">SPECIMEN</div>			
I hereby certify that the goods described above were made in Hong Kong.			
		FOR THE INDIAN CHAMBER OF COMMERCE HONG KONG	
		DATE	Secretary

CONDITIONS OF ISSUE

1. This certificate is issued in duplicate, the original having the embossed seal of the Federation's Certificates Office over the signature of the officer signing the certificate. The duplicate, which is marked as such, is a true copy of the original and can be used for any purpose for which a true copy is required.

2. The manufacturer's name and address are omitted where the exporter has indicated that he does not wish such particulars to be disclosed.



3. This certificate is valid for 6 months from the date of issue. In the event of loss, the full circumstances must be reported immediately to the Federation. Duplicate or other copies cannot, in any circumstances, be endorsed as valid in lieu of the original until the validity of the latter has expired or until acceptable proof has been furnished of the destruction of the original.

EXPORTER (Full Name & Address)		Certificate No. FEDERATION OF HONG KONG INDUSTRIES <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923 </div> CERTIFICATE OF HONG KONG ORIGIN <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 60%; text-align: center;"> ORIGINAL </div>	
CONSIGNEE (If required)			
Carrier	Port of Loading	Date of Departure	Country of Destination
Port of Discharge	Final Destination. If on Carriage	(on or about)	Factory Number
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight (in words and figures)	Brand Names or Labels (if any)
<div style="border: 2px dashed black; padding: 10px; transform: rotate(-15deg); display: inline-block;"> SPECIMEN </div>			
I hereby certify that the goods described above were made in Hong Kong.			
<div style="border: 2px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> FEDERATION OF HONG KONG INDUSTRIES CERTIFICATES OFFICE </div>			
_____ Director, Federation of Hong Kong Industries			

CONDITIONS OF ISSUE



1. This certificate is issued in duplicate, the original having the embossed seal of the Federation's Certificates Office over the signature of the officer signing the certificate. The duplicate, which is marked as such, is a true copy of the original and can be used for any purpose for which a true copy is required.
2. The manufacturer's name and address are omitted where the exporter has indicated that he does not wish such particulars to be disclosed.
3. This certificate is valid for 6 months from the date of issue. In the event of loss, the full circumstances must be reported immediately to the Federation. Duplicate or other copies cannot, in any circumstances, be endorsed as valid in lieu of the original until the validity of the latter has expired or until acceptable proof has been furnished of the destruction of the original.

CERTIFICATE OF HONG KONG ORIGIN

EXPORTER (Full Name & Address)		 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;">ORIGINAL</div> <p style="font-weight: bold; font-size: 1.2em; margin: 10px auto;">FEDERATION OF HONG KONG INDUSTRIES</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto; font-size: 0.8em;">Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923</div>	
CONSIGNEE (If required)			
Date of issue		Date of Departure	
Carrier	Sea / Airport of Loading HONG KONG	Country of Destination	
Port of Discharge	Final Destin. (If on Carriage)	(on or about)	
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight	Brand Names or Labels (if any)
<div style="border: 2px dashed black; padding: 10px; transform: rotate(-5deg); font-weight: bold; font-size: 1.5em;">SPECIMEN</div>			
<p>I hereby certify that the goods described above were made in Hong Kong.</p> <div style="text-align: right; margin-top: 20px;">  </div>			
<hr style="width: 30%; margin-left: auto;"/> <p style="font-size: 0.8em; margin: 0;">Director, Federation of Hong Kong Industries</p>			



CONDITIONS OF ISSUE

1. This certificate is issued in duplicate, the original having the embossed seal of the Association's Certificates Office over the signature of the officer signing the certificate. The duplicate, which is marked as such, is a true copy of the original and can be used for any purpose for which a true copy is required.
2. The manufacturer's name and address are omitted where the exporter has indicated that he does not wish such particulars to be disclosed.
3. This certificate is valid for 4 months from the date of issue. In the event of loss, the full circumstances must be reported immediately to the Association. Duplicate or other copies cannot, in any circumstances, be endorsed as valid in lieu of the original until the validity of the latter has expired or until acceptable proof has been furnished of the destruction of the original.
4. This certificate is issued under the authority granted to the Chinese Manufacturers' Association of Hong Kong under the Protection of Non-Government Certificates of Origin Ordinance.

EXPORTER (FULL NAME & ADDRESS)		CERTIFICATE NO. DATE OF ISSUE	
CONSIGNEE (IF REQUIRED)		 THE CHINESE MANUFACTURERS' ASSOCIATION OF HONG KONG <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923 </div> CERTIFICATE OF HONG KONG ORIGIN	
CARRIER	PORT OF LOADING	DATE OF DEPARTURE	COUNTRY OF DESTINATION
PORT OF DISCHARGE	FINAL DESTN. IF ON CARRIAGE	(on or about)	FACTORY NUMBER
MARK(S) & NUMBER(S)	NUMBER AND TYPE OF PACKAGES & DESCRIPTION OF GOODS	QUANTITY OR WEIGHT (in words and figures)	BRAND NAMES OR LABELS (if any)
SPECIMEN			
I HEREBY CERTIFY THAT THE GOODS DESCRIBED ABOVE WERE MADE			
		_____ for President of THE CHINESE MANUFACTURERS' ASSOCIATION OF HONG KONG	

ORIGINAL — WHITE
 DUPLICATE/COPY — YELLOW
 TRIPPLICATE — PINK

COPYRIGHT RESERVED

EXPORTER (Full Name & Address) CONSIGNEE (If required)		<p style="text-align: center;"><i>Certificate No.</i></p> <p style="text-align: center;">ISSUED BY 香港中華總商會 THE CHINESE GENERAL CHAMBER OF COMMERCE HONG KONG</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px 0;"> <i>Approved and designated as an issuing authority by the Hong Kong Government under the Customs Formalities Convention of 1923.</i> </div> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">CERTIFICATE OF HONG KONG ORIGIN</p> <p style="text-align: right; font-weight: bold;">ORIGINAL</p>	
Carrier	Port of Loading	Date of Departure	Country of Destination
Port of Discharge	Final Destination. If on Carriage	(on or about)	Factory Number
Mark(s) & Number(s)	Number and Type of Packages & Description of Goods	Quantity or Weight (in words and figures)	Brand Names or Labels (if any)
SPECIMEN			
I hereby certify that the goods described above were made in Hong Kong.			
			
FOR THE CHINESE GENERAL CHAMBER OF COMMERCE HONG KONG			
DATE _____			

CGCC 01

IMPORT AND EXPORT ORDINANCE
(Chapter 60)

IMPORT AND EXPORT (GENERAL) REGULATIONS
(Cap. 60, sub. leg.)

IMPORT AND EXPORT (GENERAL) REGULATIONS (AMENDMENT OF SECOND SCHEDULE)
ORDER 1978

In exercise of the powers conferred by regulation 7 of the Import and Export (General) Regulations, the Director of Trade, Industry and Customs hereby makes the following order

Citation and commencement

1. This order may be cited as the Import and Export (General) Regulations (Amendment of Second Schedule) Order 1978 and shall come into operation on the 22nd October 1978.

Amendment of Second Schedule. (Cap. 60, sub. leg.)

2. The Second Schedule to the principal regulations is amended by inserting after item 6 the following—

“7. Footwear. All countries.”

13 October 1978

[Signed — Signé]¹
Director of Trade, Industry and Customs

EXPLANATORY NOTE

This order adds footwear to the list of articles specified in the Second Schedule to the Import and Export (General) Regulations which may not be exported, except under and in accordance with a licence issued under section 3 of the Import and Export Ordinance.

II

*The American Consul General to the Hong Kong Director of Trade,
Industry and Customs*

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA
HONG KONG

October 24, 1978

Dear Mr. Jordan:

This is to acknowledge your letter of today's date detailing measures to be taken by the Government of Hong Kong with respect to certain non-rubber footwear, which reads as follows:

[See letter I]

The Government of the United States of America appreciates the decision by the

¹ Signed by D. H. Jordan — Signé par D. H. Jordan.

Government of Hong Kong to take these administrative actions, to help assure that present agreements covering trade in non-rubber footwear between the Government of the United States of America and certain other governments, implemented pursuant to Presidential Proclamation 4510 on June 22, 1977, do not become ineffective. Further, the Government of the United States of America agrees that the understandings set forth in your letter of today's date correspond to the understandings of the Government of the United States of America with respect to the subject, contained therein. In order to administer efficiently the above-mentioned Agreements, which account for a major part of United States' imports of the articles covered by the Agreements, the President has delegated to the special representative for trade negotiations the authority found in United States statutes, to initiate consultations with countries from which imports have increased and which may be threatening the effectiveness of the Agreements and to take action under United States law to provide for the issuing of regulations affecting entry or withdrawal from warehouse for consumption, of such articles (19 USC 2253 G) (2).

Accordingly and following consultation with the Government of Hong Kong, the Government of the United States of America will take the following administrative actions pursuant to United States statutes.

A. The United States authorities shall accept entry of non-rubber footwear products when accompanied by a valid certificate of Hong Kong origin issued by the competent authorities in Hong Kong, and when such products meet all other U.S. entry requirements.

B. The United States authorities may deny entry to imports of the non-rubber footwear listed in Annex I of this letter when such products are not accompanied by a valid certificate of Hong Kong origin.

Such non-rubber footwear exported* from Hong Kong to the United States on or after November 15, 1978, will require a valid certificate of Hong Kong origin (in the form set out in Annex IV of the letter of today's date of the Government of Hong Kong) in order to permit entry or withdrawal from warehouse for consumption in the United States.

Non-rubber footwear exported* from Hong Kong to the United States prior to November 15, 1978, will not be allowed entry or withdrawal from warehouse for consumption in the United States after January 31, 1979, without a valid certificate of Hong Kong origin.

*The date on which goods are "exported" shall be the date on which the export carrier last departs Hong Kong.

C. These U.S. administrative actions will be in effect until June 30, 1981, unless earlier modified or terminated in accordance with the understanding recorded in this letter and your letter of today's date.

This letter and your letter of today's date quoted above constitute an understanding between our two governments with regard to the administrative actions set forth in these letters.

Accept, Sir, the renewal of my highest consideration.

Yours sincerely,

[Signed]

THOMAS P. SHOESMITH
Consul General

The Honorable D. H. Jordan, C.M.G., M.B.E., J.P.
Director of Trade, Industry and Customs
Trade Industry and Customs Department
Kowloon

ANNEX I

PRODUCT COVERAGE

The following items from the Tariff Schedules of the United States annotated (as revised January 1, 1978) are covered by the United States Administrative Arrangements:

Footwear provided for in items 700.05 through 700.85 inclusive (except item 700.51, 700.52, 700.53, 700.54, 700.60, 700.75, and disposable footwear designed for one-time use provided for in item 700.85) of the Tariff Schedules of the United States (TSUS).
