## **CLIENT ADVISORY**

June 1, 2020

## **Hong Kong Trade Privileges**

Dear Valued U.S. Import Customer,

In a press conference on Friday, May 29, 2020, President Trump advised that the United States would "take action to revoke Hong Kong's preferential treatment as a separate customs and travel territory apart from the rest of China." The move to revoke preferential treatment was brought about by China's National People's Congress endorsing a resolution for a national security law for Hong Kong.

In July 1997, Hong Kong was returned to the People's Republic of China ("China") after 156 years of British rule. Hong Kong then became a Special Administrative Region of China with its own "mini" constitution, legal system, and some democratic rights (e.g., free speech and freedom of assembly under its Basic Law). Since that time, Hong Kong has retained its "most favored nation" status with the United States. Although Hong Kong and China were considered "one country," Hong Kong had some autonomy, and its people some rights, under a separate system.

Currently, there is no set timeline for when revocation would occur. In revoking preferential treatment, duties imposed on Hong Kong goods would carry the same rates, and additional safeguard tariffs, as imposed on goods from China.

The full transcript of President Trump's remarks can be found here.

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely, C.H. Robinson

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