

## **Shipping / Tax Guidance for Exhibitors in Hong Kong**

The purpose of this factsheet is to provide you with an overview of the import and export procedures you will need to consider when shipping works to/from Hong Kong. The factsheet is not intended to be a substitute for taking advice from your usual tax advisors and/or shipping agents and you should discuss the specific nature of your transactions/works with them, using this as a guide.

### **1. Overview**

When shipping your pieces to Hong Kong you will likely be required to make an export declaration in your own country. You will also have to declare your goods to Customs in Hong Kong. Our understanding is that works of art are not subject to import duties in Hong Kong, but that you must still declare your goods to Customs and complete any necessary customs entries.

Once the fair has finished you will have to export your works from Hong Kong and, presumably, re-import your goods into your home country unless they are sold. This will usually require you to make an export declaration in Hong Kong and an import declaration into your home country. Import duties and other import taxes, such as import VAT, typically become chargeable in your home country unless you enter your goods under an appropriate returned goods relief procedure and provide acceptable, often official, evidence of the original export to Hong Kong.

### **2. Export procedure from your home country to Hong Kong**

We advise that before you arrange for export of works from your home country, you ensure that where applicable you make use of special procedures and obtain the requisite documentation, so as to allow for the duty / import VAT free import of the exhibit where it is to be re-imported into your home country either by yourself or a buyer.

### **3. Sale of exhibits in Hong Kong**

If you sell any of your works during the fair and for example the buyer lives in Hong Kong/takes possession of the work and arranges any onward shipping themselves without you having knowledge of this, this should not give rise to any requirement to register/account for VAT or Sales Tax and no further customs declarations/notifications should be required.

### **4. Export of exhibits sold to buyers**

Where the works are sold and are to be shipped outside Hong Kong we recommend that you advise the buyer that they should complete and submit an export declaration in Hong Kong and an import declaration in the ship to country. We also recommend that you advise the buyer that they may have to

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pay duty and import VAT when they import the goods into the ship to country. Where the buyer is shipping the exhibit to the same country you originally exported it to Hong Kong from, it may also be possible to avoid payment of customs duty where there is a returned goods relief procedure and you can provide the buyer with the relevant proof of original export.

This guidance applies to scenarios where either you or the buyer arranges shipping overseas.

## **5. Return of unsold exhibits to your own country**

The points made in 4 above will also apply to the return of unsold works to countries outside Hong Kong. Where goods are imported by you, you should be able to claim relief for both customs duty and any import VAT payable where you can provide suitable proof of the original export to the relevant authorities.