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## U.S. looks at redrawing its relationship with Hong Kong

By David Kaufman, David Cheng, John Sandweg, and Rachel Winkler

On May 29, U.S. President Donald Trump held a press conference where he announced, “I am directing my administration to begin the process of eliminating policy exemptions that give Hong Kong different and special treatment.” He said his Administration would be reviewing “the full range of agreements that we have with Hong Kong, from our extradition treaty to our export controls and technologies.” The goal of which is to treat the Special Administrative Region of the People’s Republic of China (PRC) more like the rest of China. The President commented, “We will take action to revoke Hong Kong’s preferential treatment as a separate customs and travel territory from the rest of China.”

Previously, on May 27, Secretary of State Michael Pompeo announced in a communication to Congress that the U.S. no longer considered Hong Kong as being autonomous from the PRC, as required by the U.S. 2019 Hong Kong Human Rights and Democracy Act (HKHRDA).

President Trump also announced that he would:

- Issue a proclamation to suspend the entry of certain foreign nationals from China with an aim to protect “vital university research.”
- Instruct a working group on financial markets to study Chinese companies listed in the U.S., “with the goal of protecting American investors.”
- Revise the State Department’s travel advisory for Hong Kong.
- Sanction some PRC and Hong Kong officials.

There was no announcement regarding any modifications of the recently negotiated U.S./China trade deal.

We expect details of these new Administration policies to be released soon. It is unclear, at this stage, to what extent these changes would have on U.S. trade and commerce with the Hong Kong region or with mainland China. Nixon Peabody will continue to monitor these developments and provide analysis to our clients.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- David Kaufman, Director of Global Strategies, 415-984-8241,  
dkaufman@nixonpeabody.com
  - David Cheng, +852 2171 6212, dcheng@nixonpeabody.com
  - John Sandweg, 202-585-8189, jsandweg@nixonpeabody.com
  - Rachel Winkler, 202-585-8027, rwinkler@nixonpeabody.com
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