



CUSTOMS NEWS

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THE COMMISSIONER SPEAKS

I ended my message in the last issue of Customs News by expecting no less contentment and fulfillment in Year of the Snake, but at that juncture nobody could have foreseen that our department would soon immerse into a venture stretching beyond its traditional ambit and affecting almost every household in Hong Kong.

Shortly after the year-end festivities, parents in the New Territories found that it has become increasingly difficult to obtain powdered formula at local supermarkets and pharmacies. Despite appeal for remedial measures from the trade and attempt to sap public anxiety made by senior officials, shortage quickly spilled over to the urban areas in late-January. As available evidence suggested that such a phenomenon was linked to massive diversion of stock from the supply chain by General Merchandise Operators, Government resolved that there was no better alternative but to impose export control on powdered formula suitable for consumption by those below the age of 36 months. While this decision has an immediate effect of soothing market sentiments, Customs picked up the unenviable mission of making it work. In a nutshell, we were compelled to finish law drafting, staff deployment, equipment sourcing and installation, operational planning and publicity arrangements within only about three weeks. A small task force led by the directorate spun into frenzy on one of the most demanding duty calls in my 30-year civil service career, and the outcome is nothing short of impressive —

retail supply resumed normal, orderly flow of passenger traffic restored, disruption to the daily life of local residents substantially reduced.

Opportunity beckons at the brink of crisis and a key ingredient of our success came from an idea that has been deliberated for some time — engagement of retirees on non-civil service contract terms. It is edifying to see pressure turns into impetus and hesitance succumbs to conviction. After a torturous process of negotiations, over 110 former members of the Customs Officer Grade are now providing ancillary support to uniformed personnel at five control points. Apart from presenting an ingenious solution to meet pressing need for frontline reinforcement, this trial scheme paved way for us to explore how similar arrangements could tackle thorny issues such as lack of recruitment/training reserve and retention of specialist expertise.

I must not let powdered formula steal the show. Investigators at the airport deserve a pat on the back for their diligence and perseverance in stamping out the tide of drug mules with internal concealment. Meanwhile, gatekeepers at the land and marine boundaries have made a few major seizures that involved passengers with body-packed narcotics and illicit cigarettes hidden among mixed cargoes. These achievements might not make media headlines, but they are crucial in defending our status as a premier logistics hub and shielding citizens from



harm. However, all indicators point to the fact that we must maintain tight vigilance, expand our intelligence network, upgrade our risk management capability and strengthen our manpower deployment where appropriate.

On trade facilitation, promising progress has been made in attracting local companies to apply for accreditation under the Authorized Economic Operator Programme as well as in concluding mutual recognition arrangement with other jurisdictions, thereby upholding our reputation as a safe counterparty and an astute enforcement agency. Another bright spot this summer is the new legislative provisions governing false trade descriptions and unfair sales practices. Our philosophy of placing dual emphasis on consumer education and compliance supervision has gained widespread endorsement. Despite treading onto uncharted grounds, experience in the past few months has convinced me more than ever that we as a team could stand up to any crisis, have the courage to make bold changes, and are proud to be the guardian of community interest.

Clement Cheung
Commissioner

REGULATION ON POWDERED FORMULA

As the serious shortage of powdered formula at the retail level early this year was closely related to parallel trading activities, the Government announced in February 2013 the introduction of an export control regime on powdered formula. With the Import and Export (General) (Amendment) Regulation 2013 coming into force on March 1 this year, export of powdered formula to all places outside Hong Kong is prohibited except under an export licence or an exemption. Under the Amendment Regulation, a person aged 16 or above is allowed to carry not more than a total net weight of 1.8 kilogrammes of powdered formula for infants and young children aged under 36 months on his or her first departure from Hong Kong within a 24-hour period. Offenders face up to two years' jail and a fine of up to HK\$500,000.

The Customs & Excise Department was tasked to implement the new control regime on various fronts, including enforcement and publicity. To enforce the regulation, outbound inspections of cargoes, vehicles and passengers are stepped up at all boundary control points. Intelligence and investigative efforts are enhanced to combat smuggling of powdered formula into the Mainland by crime syndicates. The new measure is also publicised at boundary control points and via stakeholders of the travel industry



X-ray machines have been deployed at control points to speed up baggage inspections.

and other Customs administrations.

To cope with the additional workload on the frontline, the department formed a workforce of more than 200 staff members to reinforce the manpower resources. The workforce comprises officers of the Customs and Excise Service Grade and Trade Controls Officer Grade and also Customs retirees employed as Customs Assistants under non-civil service contract terms. While the Customs and Excise Service Grade officers are assisted by the Customs Assistants in the inspection work at various land boundary control points, the Trade Controls Officer Grade staff are responsible for case processing and prosecution. The department geared up to fulfill the task amid unpredictable challenges and frontline officers have continued to strive for service excellence.

Up to June 30, 2013, a total of 1,952 cases were detected at boundary control points involving the arrest of 1,972 persons and the seizure of about 17,289 kilogrammes of powdered formula. In addition, the department smashed a number of syndicates which smuggled powdered formula by cross-boundary travellers.

The number of persons leaving Hong Kong with large quantity of powdered formula has been substantially reduced lately. The parallel trading activities in Sheung Shui and cross-boundary areas, in particular the busiest Lowu Control Point and Lok Ma Chau Spur Line Control Point, have been effectively regulated.

**Rail and Ferry Command
Trade Investigation Bureau**

HK AUTHORIZED ECONOMIC OPERATOR PROGRAMME IS PICKING UP STEAM

April 2, 2013 marks the 1st Anniversary of the Hong Kong Authorized Economic Operator (AEO) Programme. The Programme is an accreditation mechanism for companies which meet certain security standards adopted by WCO. In the past year, Hong Kong Customs exerted tremendous efforts in promoting the Programme under the Office of Supply Chain Security Management (OSCS) with reaping rewards. The Government has recently allocated additional resources for Customs' optimal implementation of the Programme in the coming years.

Latest Development at a Glance

Accreditation — To date, nine companies have been accredited as AEOs, including multinational corporations as well as small-and-medium enterprises (SMEs) engaging in import/export, manufacturing and freight forwarding businesses. As AEOs can enjoy convenient measures such as less inspection and prioritised Customs clearance, response to the Programme from the industry is encouraging. More companies have expressed interest in joining the Programme and the number of potential AEO applicants will be increasing.



Assistant Commissioner (Excise and Strategic Support), Mr David Fong (left), and Member (Customs) of the Central Board of Excise and Customs of India, Ms Sandhya Baliga (right), signed an action plan to take forward the arrangement for mutually recognising the respective AEO programmes of the two Administrations in January in India.

Publicity & Training — We have been launching a series of publicity and outreaching activities to promote the Programme and identify more suitable participants including SMEs. To assist interested companies to prepare for the accreditation, we join hands with local institutes to organise tailor-made workshops for potential AEO applicants.

Mutual Recognition Arrangements — Our line of AEO work goes far beyond the local boundary. Internationally, we work hard to pursue mutual recognition arrangements (MRAs) with Customs administrations of Hong Kong's principal trading partners. While MRA discussions with Mainland

China, Korea, Singapore and India are in progress, we look forward to working closely with other AEO-implemented counterparts on the MRA front.

The benefits of the HK AEO Programme will be multiplied if our security standards are recognised by other countries running similar programmes. Through the signing of MRAs, the benefits can be extended across the boundaries to other economies co-operating with Hong Kong.

International Participation — Supply chain security is a prevailing topic receiving growing attention not only by Customs administrations, but also international organisations and

industry players. Working in an ever changing environment full of new initiatives ahead, we need to participate actively in various supply chain functions in the international arena with strategic perspective.



Senior Staff Officer (Supply Chain Security Management), Mr Jimmy Tam, shares with the trade the benefits and criteria of joining the HKAEO Programme.

Looking Ahead

In the years ahead, OSCS will make use of the additional resources to expedite the vetting of AEO applications, step up publicity of the Programme to the industry, and strive for more MRA negotiations with other countries and regions to secure more benefits for local enterprises.

Through the optimal implementation of the Programme, the department will demonstrate that Hong Kong is a secure node in the global supply



Assistant Staff Officer (Supply Chain Security Management), Ms Pak Suet-ye (fifth right), and other Customs participants of the AEO Regional Capacity Building Workshop held in Thailand in February 2013.

chain, thereby help consolidate her position as an international trading centre and a regional logistics hub.

Office of Supply Chain Security Management

CS VISITS CUSTOMS TO SEE THE LATEST DEVELOPMENTS

The Chief Secretary for Administration, Mrs Carrie Lam, visited the Customs and Excise Department on March 25, 2013 to learn more about the latest development of the department.

Mrs Lam started her visit by meeting the Commissioner of Customs and Excise, Mr Clement Cheung, and other senior officials who briefed her on the department's major work areas. She then proceeded to the Syndicate Crimes Investigation Bureau, which was formed in early 2013 to enhance the department's capability in tackling syndicate crimes and tracing the proceeds of

crime. She then paid a visit to the newly established Electronic Crime Investigation Centre and noted how the Centre coped with the increasing number of dubious Internet transactions and technological crimes.

During the visit, Mrs Lam also met with representatives of the staff associations of the department and chatted with the frontline staff



The Chief Secretary for Administration, Mrs Carrie Lam (second left) tours the Electronic Crime Investigation Centre.

on their working experience. She highly praised the department for its efforts and effectiveness in tackling smuggling and narcotics trafficking,



Mrs Lam (fourth right) in a group photo with the senior officials of the Customs and Excise Department during her visit to the headquarters of the department.

collecting revenue on dutiable goods and also protecting intellectual property rights and consumer interests. Mrs Lam encouraged Customs colleagues to continue providing quality services to the public.

Information Unit

ESTABLISHMENT OF SYNDICATE CRIMES INVESTIGATION BUREAU TO STRENGTHEN CUSTOMS ENFORCEMENT CAPABILITIES

With organised criminal activities becoming more stealthy, sophisticated and international, Hong Kong Customs has redeployed its manpower in January 2013 to form the Syndicate Crimes Investigation Bureau (SCIB) by merging the Special Task Force and Financial Investigation Group.

The SCIB is mainly responsible for carrying out investigation into three types of cases. They are a) indictable offences with involvement of syndicates and large sums of crime proceeds; b) joint operations with relevant authorities in the Mainland and foreign law enforcement agencies; and c) cases of complex nature where in-depth examination of commercial transactions and documentary evidence or input of expert witnesses (e.g. forensic accountant) is called for.



The Commissioner of Customs and Excise, Mr Clement Cheung, officiates at the opening ceremony of SCIB.

Pooling together its expertise in criminal and financial investigations, SCIB seeks to enhance its capability to trace up the command chain of syndicates and apprehend their masterminds. Where appropriate, the "Organised and Serious Crimes Ordinance" will be invoked so as to achieve enhanced sentences and confiscate assets for greater deterrent effects.

The new bureau, with an establishment of 203 officers, is headed by a Senior Superintendent and comprises a Special Investigation Group and a Financial Investigation Group.

**Syndicate Crimes
Investigation Bureau**

HK CUSTOMS CELEBRATES INTERNATIONAL CUSTOMS DAY

Hong Kong Customs held a reception on January 25, 2013 to celebrate the 2013 International Customs Day (ICD). The Convenor of the Non-official Members of the Executive Council, Mr Lam Woon-kwong together with the Commissioner of Customs and Excise, Mr Clement Cheung, officiated at the reception ceremony.

The theme for this year's ICD is "Innovation for Customs progress" highlighting the need for Customs administration worldwide to cope with rapid technological advancement, accelerated pace of trade liberalisation and looming security threats. Addressing the reception, Mr Lam appreciated the will power of Hong Kong Customs to take on the challenge and adapt to the evolving environment. In particular, he noted Hong Kong Customs had made strenuous effort in escalating the investigation capability to tackle technology crime



The Convenor of the Non-official Members of the Executive Council, Mr Lam Woon-kwong (third right, front row) and the Commissioner of Customs and Excise, Mr Clement Cheung (second right, front row) with awardees of the WCO Certificate of Merit.

in a digitised world. Regarding supply chain management, Mr Lam stressed the significance of launching the Authorized Economic Operator Programme which helped in facilitating trade as well as improving cargo security control. "All these upgrading efforts illustrate that Hong Kong Customs is alert to the modern-day high risk

environment and is determined to continue to play a leading and co-operative role in the World Customs protocol," Mr Lam said.

At the reception, Mr Lam presented the World Customs Organization (WCO) Certificates of Merit to 20 Hong Kong Customs officers in recognition of their positive contribution towards Customs co-operation, enforcement, system development and trade facilitation.

About 350 guests, including Members of the Executive and Legislative Councils, government officials, Consuls General, foreign Customs attachés, representatives from Customs administrations of the Mainland and Macau as well as business sector stakeholders, joined the celebration.

**Office of Customs Affairs and
Co-operation**



Mr Lam Woon-kwong (second left) and Secretary for Security, Mr Lai Tung-kwok (first left), accompanied by Mr Cheung (third left), tour the exhibition on the work of Hong Kong Customs.

HK AND CHINA CUSTOMS' ANNUAL MEETING TO MAINTAIN CLOSE CO-OPERATION

The “2012 Annual Review Meeting between the General Administration of Customs of the People’s Republic of China and Hong Kong Customs” was held in Hong Kong on May 14, 2013. The Hong Kong Customs delegation was headed by the Commissioner of Customs and Excise, Mr Clement Cheung, while the Mainland Customs delegation was led by the Minister of the General Administration of Customs of the People’s Republic of China, Mr Yu Guangzhou.

This is the 13th annual meeting between the Hong Kong and China Customs since the signing of the Customs Co-operative Arrangement in 2000. The meeting reviewed the co-operation between the two Customs administrations on trade facilitation, anti-smuggling, anti-narcotics, intellectual property rights protection and staff training last year. The two Customs bodies also recognised the remarkable achievements resulting from close



The Chief Executive, Mr C Y Leung (right), meets the visiting Minister of the General Administration of Customs, Mr Yu Guangzhou (left), at Government House to exchange views on issues of mutual concern.

co-operation on various fronts.

They also mapped out a co-operation plan for 2013 in the following respects:

- to enhance training co-operation and exchange between both administrations;
- to improve customs clearance efficiency, including the implementation of expedited customs clearance and electronic customs seals, and the development of a united data model;
- to strengthen enforcement co-operation, including the reinforcement of intelligence exchange and mounting joint operations to combat cross-boundary smuggling activities;
- to enhance co-operation on control measures over the Rules of Origin under the Mainland and Hong Kong Closer Economic Partnership Arrangement;
- to refine the regulatory mechanism for cargo transshipped through Hong Kong under the Economic Cooperation Framework Agreement;
- to refine the facilitation measures of the Wine Trade Facilitation Scheme so as to further promote Hong Kong as a wine trading hub;
- to actively work out a mutual recognition arrangement for the respective Authorized Economic Operator Programmes with a view to enhancing trade facilitation; and
- to promote co-operation on international customs affairs between the two Customs administrations.



Assistant Commissioner (Boundary and Ports), Mr Yu Koon-hing (left), and Mr Clement Cheung (right), accompany Mr Yu Guangzhou (centre) to visit Kwai Chung Customhouse.

Office of Customs Affairs and Co-operation

ACTIVE PARTICIPATION OF HK CUSTOMS IN WCO MEETINGS

Hong Kong Customs performs an active role in the World Customs Organization (WCO) forum. Since Hong Kong Customs became one of the regional representatives in WCO Policy Commission (PC) in 2011, the department has contributed in formulating policy directives for the WCO and provided strategic guidance on WCO's initiatives and technical issues. In the first quarter of 2013, Hong Kong Customs continued to actively participate in WCO meetings and working groups and sent delegations to attend the following meetings/seminars:

- 31st Session of Technical Committee on Rules of Origin cum Informal Workshop on Rules of Origin
- 12th Meeting of the Customs Enforcement Network Management Team
- 6th Meeting of Technical Experts Group on Air Cargo Security
- Data Model Project Team Meeting and 64th Meeting of Information Management Sub-Committee
- 8th Informal Meeting of Regional

Offices of Capacity Building (ROCB), Heads of Regional Training Centres and Vice Chairs' Offices and 4th Session of Capacity Building Committee

- 12th Session of Integrity Sub-Committee
- Asia Pacific (A/P) Regional Steering Group Meeting
- 1st Meeting of the Working Group on Review of the Terms of Reference of ROCB A/P
- 51st Session of Harmonized System Committee
- 32nd Session of Enforcement Committee
- 199th/200th Sessions of Permanent Technical Committee
- 12th Meeting of the Administrative Committee of the Istanbul Convention and 9th Meeting of the Contracting Parties to the ATA Convention
- 3rd Session of Seminar on Program Global Shield

The departmental representatives offered valuable opinions at the above meetings, especially at the 32nd Session of Enforcement Committee held in March in Brussels, Belgium which was represented by the Head of Intelligence Bureau, Mr Lam Chun-keung. Significant achievements of Hong Kong Customs on anti-drug trafficking, combating illicit trade of wildlife, and executing strategic



Senior Staff Officer (Customs Affairs and Co-operation), Mr Leung Shung-chi (second left), Head of Intelligence Bureau, Mr Lam Chun-keung (first right) and Divisional Commander (Strategic Intelligence), Mr Leung Yuk-chiu (first left), with Director of the WCO Compliance and Facilitation Directorate, Mr Zhu Gaozhang (second right) and Customs Enforcement Network Manager of WCO Regional Intelligence Liaison Office for Asia and the Pacific, Ms Cho Sunhwa (centre) at the 32nd Session of Enforcement Committee.

control on hazardous waste were showcased in the meeting.

In particular, during a presentation on anti-drug trafficking at the Enforcement Committee meeting, the Conceptual Framework for a Dynamic Customs Anti-drugs Strategy raised by Hong Kong Customs was well received by other Customs and enforcement counterparts. The framework was about an advocacy of the development of a sustainable long term strategy to combat drug trafficking and to include concepts of using various WCO's tools and instruments, applying advanced technology, encouraging information exchange and strengthening international co-operation. With the support of other Member administrations, the framework would be put forward for further discussion within the WCO fora by the WCO Secretariat.



Mr Lam speaks at the 32nd Session of Enforcement Committee.

HK CUSTOMS ATTENDS APEC SUB-COMMITTEE ON CUSTOMS PROCEDURES MEETING IN INDONESIA

Senior Staff Officer (Customs Affairs and Co-operation), Mr Leung Shung-chi, Divisional Commander (Strategic Intelligence), Mr Leung Yuk-chiu, and Senior Inspector, Ms Cheung Wan-ki, represented Hong Kong Customs to attend the 2013 1st APEC Sub-Committee on Customs Procedures (SCCP1) Meeting in Jakarta, Indonesia from January 29 to 31, 2013.

Grabbing the opportunity to promote legitimate trade in APEC forum during the meeting, Mr Leung Yuk-chiu made presentations about Hong Kong Customs' effort

in the control of trans-boundary movement of hazardous waste and the fight against illicit trade in endangered species. Mr Leung highlighted the co-operation with the Environmental Protection

Department in implementing the Strategic Control Scheme (SCS) on Hazardous Waste and the success in deterring hazardous waste shipments by means of arousing shipping companies' awareness of suspicious consignments. On the front of enforcement against illicit trade in endangered species, Mr Leung shared with other APEC Customs counterparts the experience of Hong Kong Customs' partnering with Agriculture, Fisheries and Conservation Department, and other Customs administrations under "Co-ordinated Border Management" for intelligence exchange.



Mr Leung Shung-chi (second left), and Mr Leung Yuk-chiu (first left), meet with the 2013 APEC SCCP Chair, Mr Syarif Hidayat (second right), and the APEC Secretariat (SCCP), Mr Lu Zhiwei (first right) at the 2013 SCCP1 meeting.

SECONDMENT POSTS IN WCO REGIONAL OFFICES

The World Customs Organization (WCO) has set up Regional Intelligence Liaison Offices (RILO) and Regional Offices for Capacity Building (ROCB) to effectively take various initiatives forward at regional level. At present, the RILO and the ROCB for the WCO Asia Pacific (A/P) Region are situated in Seoul, Korea and Bangkok, Thailand respectively. To show Hong Kong Customs' unwavering support to the WCO, the department had



Mr Wong (right) with the Head of WCO ROCB A/P, Mr Yoshihiro Kosaka.

created two secondment posts and sent officers to work in these two

WCO regional offices. This year, Senior Inspectors, Mr Gryphon Sou and Mr James Wong, had taken up the secondment posts in RILO A/P and ROCB A/P respectively on January 1 and March 18, 2013. The secondment arrangements not only offer a valuable opportunity to broaden officers' knowledge and horizons through overseas work exposure, but also promote the standing of Hong Kong in the international Customs community.

WORKSHOP ON CUSTOMS ENFORCEMENT AGAINST TRANSNATIONAL TRAFFICKING OF ILLICIT DRUGS

To provide a platform for international law enforcement agencies to share experience and establish coherent co-operation, the Airport Command hosted a two-day workshop on Customs Enforcement against Transnational Trafficking of Illicit Drugs on December 5 and 6, 2012 at the Hong Kong International Airport (HKIA).

The Head of Airport Command, Mr Albert Ho, and 18 representatives from 12 regions including Australia, Japan, South Africa, the UK and the USA, participated in the workshop. Other than law enforcement officers, Chief of Service of the Accident & Emergency Department of the Queen Elizabeth Hospital, Dr Ho

Hui-fai, was also invited to join the workshop to offer professional views from a medical perspective on the issue of internal concealment.

At the workshop, 12 presentations and a panel discussion were held. Mr Ho shared with participants the drug trafficking situation in HKIA and investigation skills to handle internal concealment cases, including the use of a computer software system, namely "COMPASS", developed by Hong Kong Customs for risk analysis of drug couriers at HKIA.



Mr Ho (third right, first row) with the participants.

The two-day workshop offered a valuable avenue for all participants to share experience and fostered regional co-operation in the fight against transnational drug trafficking activities.

VIPS VISIT HK CUSTOMS

Hong Kong Customs from time to time receives official representatives and consular officials in Hong Kong as well as delegations from Mainland and overseas Customs authorities to enhance mutual understanding and foster co-operation on the fronts of law enforcement and trade facilitation.

On January 17, 2013, Commissioner of Customs and Excise, Mr Clement Cheung, met with a nine-member delegation led by Head of the Federal Administration of Public Revenue of Argentina, Mr Ricardo Echegaray. The two sides had an in-depth and effective discussion on issues of mutual concern and areas for further bilateral co-operation.



Mr Cheung (sixth left) and Mr Ricardo Echegaray (fifth left) with the Argentine delegation.

VIPS VISIT HK CUSTOMS



Mr Cheung (third right) meets with Mr Vincent Piket (second left).



Mr Li Shuyu (third right) visits Kwai Chung Customhouse.

On March 27, Mr Cheung met with Head of Office of the European Union to Hong Kong and Macao (EU Office), Mr Vincent Piket. The two sides highly recognised the achievements of co-operation between Hong Kong Customs and the EU Customs Administrations, and exchanged views on the “Smart and Secure Trade Lanes” project, intellectual property rights protection and other matters of mutual concern.

Between April 18 and 19, Director General in Shenzhen Customs District, Mr Li Shuyu, led an

eight-member delegation to visit the Hong Kong Customs and exchange views on enforcement of the new regulation prohibiting export of unlicensed powered formula, control of import and export of solid waste and speedy customs clearance arrangement for Intermodal Transshipment Facilitation Scheme.

On April 25, Consul-General and Ambassador, Consulate-General of Japan in Hong Kong, Mr Hitoshi Noda, paid a courtesy call on the Commissioner of Customs and Excise. During the meeting, the

two sides had a fruitful discussion on a wide range of issues of mutual interest.

On May 16, Mr Cheung met with an eight-member delegation led by the Chairman of Customs Control Committee, Ministry of Finance of the Republic of Kazakhstan, Mr Mazhit Yessenbayev. After the meeting, the two sides signed minutes endorsed for working out a Customs Co-operative Arrangement to strengthen bilateral relations.



Mr Cheung (centre) and Mr Hitoshi Noda (second left) at the Customs Headquarters Building.



Mr Cheung (second right, front row) and Mr Mazhit Yessenbayev (second left, front row) with the Kazakhstan delegation.

VISIT TO CRUISE TERMINALS IN SINGAPORE AND MALAYSIA



Mr Ho (fourth left), Mr Wong (third right) and Ms Chiu (first right) with the officers of the Singapore Customs and the Immigration and Checkpoints Authority.

To prepare for the opening of the Kai Tak Cruise Terminal in June 2013, Deputy Head of Rail and Ferry Command, Mr Joseph Ho, Divisional Commander of Lok Ma Chau Division, Mr Wong Po-to, and Divisional Commander of Hong Kong-Macau Ferry Division, Ms Virginia Chiu, visited the cruise terminals in Singapore and Penang, Malaysia between January 20 and 24, 2013. The visit was useful for the officers to gain first-hand information on how the local customs authorities perform customs clearance in the cruise terminals.

HK CUSTOMS VISITS SECURITY AND POLICING EXHIBITION

From March 12 to 14, 2013, Group Head (Special Investigation Group), Mr Liu Ping-tong, led a delegation, comprising officers of the Office of Project Planning and Development and the Intelligence Bureau, to visit the Security and Policing Exhibition 2013 organised by the UK Home Office in Farnborough. The exhibition provided a platform for showcasing world leading technologies, products and solutions to police services, government departments, organisations and agencies. The latest technologies and equipment were explored by the delegation with a view to enhancing the efficiency and effectiveness of operation in different enforcement

areas of Hong Kong Customs.

The delegation also paid a visit to the Serious Organised Crime Agency in London and met with their senior officers who were responsible for Asian affairs. Both sides introduced to each other their organisational structures, functions and responsibilities. They recognised the importance of intelligence exchange and co-operation as the keys to the success in the fight against syndicate and



An exhibitor explains the function of a device to Mr Liu (centre).

organised crimes. The visit provided the two organisations a good opportunity to maintain their liaison in fighting the same battle against the ever evolving organised crimes.

CUSTOMS PASSING-OUT PARADE

A passing-out parade was held at the Customs and Excise Training School on May 3, 2013 with 31



Mr Yuen (second left) inspects the Probationary Inspectors and Customs Officers.

Probationary Inspectors and 151 Customs Officers being inspected by the Secretary for Justice, Mr Rimsky Yuen, SC. Over 900 guests from various government departments and the private sector as well as relatives of the graduates attended the ceremony.

Addressing the parade, Mr Yuen praised the graduates for their professional

performance in the downpour. He encouraged them to exert their utmost to upkeep Hong Kong Customs' remarkable performance in anti-smuggling, interception of drugs and contraband goods, as well as protection of intellectual property rights and consumer interests. These 'gate-keeping' duties were extremely important to upholding the rule of law and maintaining Hong Kong's reputation as an international commercial city.

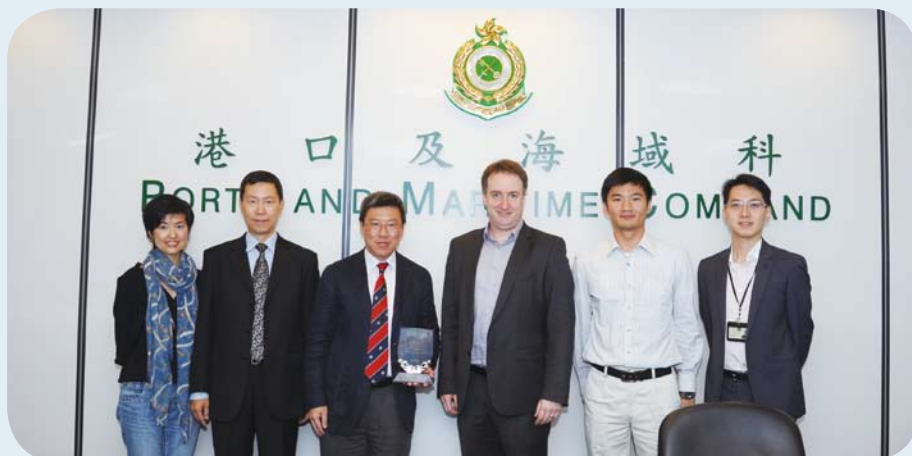
INTERNATIONAL TRADEMARK OWNERS' SUPPORT TO CUSTOMS OPERATION IN THE FIGHT OF COUNTERFEIT TRANSSHIPMENT GOODS

In order to prevent Hong Kong from being exploited as a transshipment hub for smuggling counterfeit goods, Hong Kong Customs is obliged to maintain rigorous enforcement actions against transnational crime syndicates in the course of cargo clearance duties.

The long-established strategic partnership with the trademark owners has been a catalyst of success for the department to accomplish the mission. The trademark owners take prompt response to authenticate intellectual property rights. They also provide training for Customs officers to enhance the skills on fake product identification.

In October 2012 and January 2013, two international trademark owners met the officers of the Ports and Maritime Command for exchanging views on combating illicit trade on counterfeit products. They highly appreciated the

efforts of Hong Kong Customs in initiating investigation and detecting several containers with the counterfeit consumer goods, including personal hygiene products and apparel, that infringed their trademarks in 2012.



Brand Protection Director of Unilever, Mr Charles Hoskin (third right) met the Head of Ports and Maritime Command, Mr Lam Tak-fai (third left) on October 31, 2012.

TRAIN-THE-TRAINER BASIC CRIMINAL INVESTIGATION COURSE

In order to get prepared for the commencement of Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance) on July 19, 2013, the Office of Training and Development of Hong Kong Customs organised a three-day Train-the-Trainer Basic Criminal Investigation Course for 21 officers of the Office of the Communications Authority (OFCA) in March.

Under the Amendment Ordinance, officers of OFCA are required to perform the enforcement work in relation to unfair trade practices of the licencees registered under the Telecommunications Ordinance

and the Broadcasting Ordinance. Hence, the course focused on criminal investigation knowledge and skill necessary for effective discharge of the enforcement

duties. It also fosters a good working relationship between the two departments in the protection of consumer rights under the Amendment Ordinance.



A three-day Train-the-Trainer Basic Criminal Investigation Course.

CUSTOMS CAREER DEVELOPMENT COURSES

Since the implementation of the staff development programme – “Customs Professionalisation” in June 2009, the Office of Training and Development has arranged three types of functional

development courses for Inspectors and Customs Officers in their career development. The three courses are a five-day Cargo Processing Course, a five-day Passenger Processing Course and an eight-

day Intelligence and Investigation Course.

All the three courses adopt an interactive approach in lectures, scenario-based practical exercises and group discussions. They help officers to acquire quickly and apply effectively the practical knowledge and skills for a particular work stream.

Up to April 2013, 115 Inspectors and 777 Customs Officers have attended the courses for enhancement of their competencies and confidence at work. This in turn contributes to the provision of a more effective and efficient Customs service.



Officers in a mock trial training of Intelligence and Investigation Course.

PROFESSIONAL DEVELOPMENT TRAINING BLOCK



The Professional Development Training Block.

After two years' planning and construction, the Professional Development Training Block at the Customs and Excise Training School was formally opened in mid-April 2013. The building is designed to provide a venue for conducting practical and simulated exercises in the induction training for new recruits and vocational training of

serving members.

It is a two-storey building with around 370 square metres on each floor. A wide range of simulated training facilities are set up in the building, including Vehicle and Cargo Search Area, Passenger Clearance Area, Mock Bilge, Mock Residential Unit, Mock Court,

Identification Parade Room, Video Interview Room and Simulated Shooting Range. It also installs an advanced audio and visual monitoring and recording system, so that instructors in the control room can supervise and oversee all ongoing simulation exercises, and maintain close contact with trainees for better communication.



Mock Red and Green Channels.

YOUTH AMBASSADORS ACTIVITIES TO PROMOTE RESPECT FOR INTELLECTUAL PROPERTY RIGHTS

The Customs and Excise Department and the Intellectual Property Department jointly organised two meaningful events for the "Youth Ambassadors Against Internet Piracy" in December 2012 and March 2013 to raise youngsters awareness of the importance of

respect and protection of intellectual property rights (IPR).

On December 29, "I Pledge • Youth Ambassador Ocean Night" was held at Ocean Park with participation of some 2,800 Youth Ambassadors and other guests.

Three group prizes and 11 individual prizes were presented under the Youth Ambassadors Scheme to commend their active participation in the scheme and their outstanding performances in promoting IPR protection.

In addition, a three-day visit to Zhaoqing from March 28 to 30 was held for the Youth Ambassadors to enhance their understanding of the protection of IPR in the Mainland. During the visit, the Youth Ambassadors met with officials from IPR-related government agencies as well as teachers and students of a local secondary school to gain an in-depth understanding of IPR protection in the Mainland.



"I Pledge • Youth Ambassador Ocean Night" at Ocean Park.

SIGNING OF MEMORANDUMS OF UNDERSTANDING WITH CATHAY PACIFIC

Hong Kong Customs and Cathay Pacific Services Limited (CPSL) signed Memorandums of Understanding (MOUs) on “the use of advanced electronic cargo information in air cargo clearance”, “release goods before duty payment scheme” and “watch-out program” on February 7, 2013.

The MOUs aim at expediting the Customs clearance for air cargoes handled by CPSL at the newly opened Cathay Pacific Cargo

Terminal in the Hong Kong International Airport, as well as strengthening enforcement co-operation with the terminal operator to interdict contraband.

The terminal, having commenced Stage One operation since February 2013, will achieve full operation in the latter half of this year.



Assistant Commissioner (Boundary and Ports), Mr Yu Koon Hing (right) and the Chief Executive Officer of Cathay Pacific Services Limited, Mr Algernon Yau, sign the Memorandums of Understanding.

SEMINAR ON ENFORCEMENT CO-OPERATION WITH AIR CARGO PARTNERS

The Air Cargo Group of the Airport Command hosted a seminar on “Enforcement Co-operation with Air Cargo Partners” on February 28, 2013 with an aim to further enhance co-operation between Hong Kong Customs and air cargo operators pertaining to drug enforcement and anti-smuggling. Participants included the management teams

of major business partners such as Asia Airfreight Terminal, Cathay Pacific Cargo, DHL Express, Hong Kong Air Cargo Terminals Ltd, FedEx Express.

During the seminar, Mr Jeff Lam, Head of Air Cargo Group, shared with the participants operational strategies against the use of

unknown consignors and how Hong Kong Customs could effectively detect contraband while facilitating smooth clearance on low risk cargo. The UK and Canadian Customs Attaché in Hong Kong, and the Chairman of Carrier Liaison Group of Hong Kong International Airport were invited to give presentations on the enforcement work of air cargo in other regions as well as the latest development of air cargo security in Hong Kong.



Head of Airport Command, Mr Albert Ho (first left), and Mr Jeff Lam (first right) with the speakers at the seminar, namely Chairman of Carrier Liaison Group, Mr Wong Tin-shek (second left), CBSA Liaison Officer, Mr Randy McCormick (centre), and United Kingdom Fiscal Crime Liaison Officer (second right), Mr Andrew Steel.

The seminar was well received by participants who reckoned that mutual co-operation with Customs to identify high-risk consignors would not only help enhance supply chain security, but also facilitate legitimate trade and consolidate Hong Kong’s status as a leading air cargo hub.