

Sample
Code of Conduct
For
Dutiable Commodities
Licensees



Customs and Excise Department

This code sets out the standard of conduct and behaviour which all employees of (name of licensee) are required to observe.

1. Dutiable Commodities Ordinance

1.1 All employees of (name of licensee) are reminded that it is a criminal offence under the Dutiable Commodities Ordinance if any person evades or assists in evading the payment of duty on dutiable goods or allows the movement of these goods in or out of a bonded warehouse without authorisation under a permit issued by the Customs and Excise Department (C&ED). A gist of the relevant provisions of the Dutiable Commodities Ordinance is provided in the following paragraphs:

1.1.1 It is an offence under Section 17(7) of the Ordinance for any person to take, receive or have in his stock, custody or possession any dutiable goods removed or delivered thereto which is not authorised by a permit issued by the C&ED under this Ordinance.

1.1.2 It is an offence under Section 36 of the Ordinance for any person to fraudulently remove, deposit or conceal any dutiable goods in an attempt to evade the payment of duty on these goods.

1.1.3 The maximum penalty for offences under Section 17 and 36 of the Ordinance is a fine of \$1,000,000 and imprisonment for 2 years.

1.2 As employees of (name of Bonded Warehouse/Manufacturer licensee), it is your duty to ensure that the deposit and removal of dutiable goods in or from the bonded warehouse is made as authorized by a permit issued by C&ED in accordance with the provisions of the Dutiable Commodities Ordinance. You should also ensure that the date, time and the exact quantity of dutiable goods deposited or removed should be properly recorded in the warehouse record. Any falsification of record with intent to deceive the principal may also be a criminal offence.

2. Prevention of Bribery Ordinance

- 2.1 Under section 4 of the Prevention of Bribery Ordinance (POBO), it is an offence for any person to, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offer any advantage to a public servant or the Chief Executive as an inducement to or reward for that public servant or the Chief Executive performing or abstaining from performing any act in his capacity as a public servant or the Chief Executive.
- 2.2 All employees should note that soliciting or accepting an advantage in connection with his work without the permission of the employer constitutes an offence under Section 9 of the POBO. The term “advantage” is defined in the Ordinance and includes gift (both of money and in kind), loan, fee, employment, contract, service, favour (such as discount) etc. A full definition of the term “advantage” is at *Appendix 1*.
- 2.3 (name of licensee) does not give permission to any employee to solicit or accept any advantages relating to the warehouse operation or from persons who have official dealings with (name of licensee).

3. Conflict of Interest

- 3.1 A conflict of interest may arise when the private interests of an employee compete or conflict with the interests of (name of licensee). Private interests include the financial and other personal interests of the employee himself, his family members, other relatives, or close personal friends. Every employee should make every effort to avoid situations that may lead to a conflict of interest and to report any actual or perceived conflict of interest to (name and post of a designated staff member). For example, if the holder of C&ED permit for the dutiable goods is the relative or close personal friend of any warehouse employee, then the employee should make a declaration of conflict of interest to the warehouse management and follow the latter’s instructions.

- 3.2 As employees of (name of licensee), you should **not** accept lavish or frequent entertainment from persons who have official dealings with (name of licensee) as this would put you in a position of obligation and thus cause embarrassment in the discharge of duties (e.g. in monitoring movement of dutiable goods or of any devanning or vanning operation).

4. Outside Employment

If you wish to take outside employment, either on a regular or part time basis, you must seek the prior approval of (name and/or rank of a nominated officer) before accepting the employment.

5. Suspected Smuggling Offences

If any suspected smuggling offence is detected in any devanning or vanning operation inside a bonded warehouse, the bonded warehouse employee should immediately report the matter to C&ED at Tel. No. 2545 6182.

6. Warehouse Records

It is the responsibility of bonded warehouse employees to ensure that proper entries are made in the warehouse records upon deposit or removal of any dutiable goods. These records should be securely kept and made available for inspection by C&ED officers on request.

7. Security of Warehouses

Bonded warehouse employees should not allow unauthorized persons to enter the bonded warehouse. The time of entry and exit of any person allowed access to the warehouse should be duly recorded.

8. Compliance with the Code of Conduct

Any employee who is found to have breached any of the above rules will be referred to the appropriate law enforcement agency for prosecution of criminal offences or will be subject to disciplinary action including termination of employment.

9. C&ED Instructions

All employees are required to follow any instruction issued by C&ED.

Appendix 1

Under the Prevention of Bribery Ordinance, Cap. 201, “advantage” means:

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty;
and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e).