THE COMMISSIONER SPEAKS

The new Customs Headquarters Building is taking shape rapidly and construction work is nearly completion. If everything goes well, we will be moving in by the end of this year. The new building will not only provide us with a new home, it will also enable us, for the first time in more than 100 years of our history, to house all our major formations under one roof. It marks a major milestone in the development of the Hong Kong Customs and an important stage in the transformation of the Hong Kong Customs Service.

While the role of any public service will evolve over time to keep pace with social and economic development, the change that has been experienced by customs officers all around the world has been particularly acute. Vested with the responsibility of protecting the borders and being at the forefront of the movement of goods and trade, customs officers today are expected to play a more active and proactive role in trade facilitation and in maintaining the safety and security of our societies. The important contribution that customs officers can make to the safety and the economic well-being of the world is being increasingly recognised. This growing recognition also carries with it a heavy responsibility. Customs today is expected to provide timely and efficient customs clearance for travellers and goods, while ensuring a high level of compliance with safety and security requirements. The Hong Kong Customs enjoys a high reputation of being one of the most professional and efficient customs services in the world. This has been achieved through our continued commitment to doing our best to meet the needs of the industries. The launch of the Electronic Road Cargo System will not only facilitate our forwarders and truckers by allowing them to submit the manifests electronically for pre-clearance, saving time and costs; but more importantly it will provide us with an electronic platform for the launch of more new initiatives to facilitate and promote the development of inter-modal logistics services, enhancing Hong Kong’s competitiveness as a major international business and transportation hub.

In support of the World Customs Organization’s “SAFE Framework of Standards”, the pilot Authorised Economic Operator (AEO) Programme will help enhance the risk management awareness of legitimate cargo operators and forwarders and enable Customs to direct resources to the targeting and inspection of the more high risk cargoes. The AEO Programme will set a good example of customs-business partnership. By working together, we will create a win-win situation by reducing the costs of doing business in Hong Kong for our industries and enhancing the effectiveness of customs enforcement.

Overlooking the Eastern Harbour waterfront, the new Customs Headquarters Building will add a new landmark to the beautiful Hong Kong skyline. The timing of its completion is most propitious. The new building will not only provide a much better working environment for our officers, it will also provide the much needed space to house the new equipment for the launch of these and other new initiatives that we have in the pipeline to enable the Hong Kong Customs to respond to the new challenges of the 21st Century. The simple, sleek and efficient design of the new building symbolises the new customs culture – modern, progressive, and openness. I would like to take this opportunity to thank our industries and businesses for the strong support that they have given us in ensuring we deliver an efficient and effective customs service that meets the needs of our society and our businesses. I look forward to welcoming you all to our new Customs Headquarters Building and celebrate a new era of Hong Kong Customs Service.

Richard Yuen
Commissioner
CONSTRUCTION OF NEW CUSTOMS HEADQUARTERS BUILDING COMPLETED ON SCHEDULE

The Hong Kong Customs will soon have a permanent home in North Point as construction of the new purpose-built Customs Headquarters Building (CHB) was completed on schedule in September, 2010. With the commissioning of the building planned for mid-November 2010, most of the formations, now located in various offices, will be put under one roof, marking a milestone for the Hong Kong Customs.

The Commissioner of Customs and Excise, Mr Richard Yuen, and the directorate visited the CHB to see for themselves the latest progress of the office building on July 20. Accompanied by architects of Architectural Services Department (ArchSD), they visited major facilities and offices in the building, including a 300-seat auditorium, indoor firing ranges with simulation shooting system and dim-light firing training, the Exhibition Gallery for displaying items with historical and educational value, the Customer Service Centre for providing integrated counter services, the Senior Officers’ Mess and the staff canteen accommodating 200 persons and 160 persons respectively, as well as a fitness room with over 40 sets of new fitness equipment. The directorate were impressed by the interior design and materials used in the new office building which was designed in the light of environmental protection and energy-saving consideration.

Mr Yuen also took the opportunity to thank ArchSD and the building contractor for their professionalism and efforts throughout the construction process, making the project progressing smoothly.

The Hong Kong Customs will move to the new office building in phases from mid-November to late December 2010. According to the relocation plan, 23 formations, including the Directorate Offices, the Administration and Human Resource Development Branch, the Excise and Strategic Support Branch, the Intelligence and Investigation Branch, Consumer Protection Bureau and General Investigation and Systems Bureau under the Trade Controls Branch, and Special Duties Team under the Boundary and Ports Branch, involving some 1,800 staff members currently scattered in various locations, will be housed in the CHB. To enable colleagues to have a better understanding of the building and enhance preparatory work for the relocation, the Office of Project Planning and Development had organised visits and site inspections for the concerned formations.

With the full commissioning of the CHB, Hong Kong Customs will not only provide better services for the public but also enhance efficiency of the Customs and Excise Department.

Office of Project Planning and Development
The Hong Kong Customs launched the Road Cargo System (ROCARS), an electronic system designed to facilitate customs clearance of road cargoes, on May 17, 2010 and started an 18-month transitional period before its mandatory implementation.

The launching ceremony was officiated by the Commissioner of Customs and Excise, Mr Richard Yuen at Lok Ma Chau Control Point. Other guests attending the ceremony included Legislative Council members Mr Vincent Fang, Mr Tommy Cheung and Mr Wong Ting-kwong; a Shenzhen Customs delegation led by the Deputy Director-General of Shenzhen Customs District, Mr Chen Zhenchong, and representatives of the logistics industry and trade federations.

Speaking at the ceremony, Mr Yuen said, “The launching of the ROCARS is in line with the international trend to use information technology to enhance customs clearance. The new system will help strengthen Hong Kong’s position as an international trading and logistics centre and promote the further development of the logistics industry in Hong Kong and Guangdong. With this new electronic information platform and building on the foundation of mutual co-operation and benefit, Hong Kong and Shenzhen Customs will be able to make further contribution to enhance customs clearance efficiency and facilitate cross-boundary movement of goods.”

“Our long-term objective, in addition to providing a fast and time-saving customs clearance system for the logistics industry, is to make use of the new electronic information platform to simplify customs clearance procedures for inter-modal operators, so that cargoes involving, say, air and land transfer, which may be subject to customs inspections twice at both the land boundary and the airport now, will be subject to one inspection at one control point only in future,” Mr Yuen added.

After the implementation of the new system, shippers or freight forwarders can use it to submit information of road cargo to the Customs. A Customs reference number will be issued to a shipper or freight forwarder to confirm the receipt of the details of the goods by the Cutoms and Excise Department (C&ED).
HK AUTHORIZED ECONOMIC OPERATOR (AEO) PILOT PROGRAMME LAUNCHED

The Hong Kong Customs launched the HK Authorized Economic Operator (AEO) Pilot Programme (pilot programme) on June 23, 2010 to show the Department’s commitment to the “SAFE Framework of Standards” (SAFE FoS) developed by the World Customs Organization (WCO).

The AEO is a prerequisite for implementing the SAFE FoS which aims to facilitate Customs authorities to safeguard cargo security while ensuring a seamless cargo flow.

Up to August 2010, 162 WCO members, including Hong Kong, have signed the Letter of Intent to implement SAFE FoS. A total of 14 economies, including Hong Kong’s principal trading partners, have implemented their AEO programmes.

The pilot programme complies with the WCO’s standards to secure and facilitate trade which encourage companies to enhance their security measures in exchange for more convenient

Assistant Commissioner (Excise and Strategic Support), Mr Yu Koon-hing (fourth left), with Director General of Seoul Main Customs, Mr Woo Chong Ahn (fourth right), and members of the delegation.
customs clearance, such as fewer or priority inspections. The programme will save the operating time in the logistics which will improve the efficiency of the companies’ supply chain and ultimately reduce their operating costs.

Featuring an open and voluntary certification of local participating companies, the pilot programme consists of two tiers of AEO with different levels of security requirements in terms of personnel, information system, means of cargo transportation, and financial status, etc. The programme also includes the accreditation of companies with reference to their security achievements. Companies meeting the basic criteria will be given an AEO status, while those meeting all criteria will be given a higher level of AEO status.

The pilot programme fits the unique local trading environment of Hong Kong, which is characterised by a significant proportion (about 98%) of small and medium enterprises.

The programme marks the Department’s efforts to secure the international supply chain and helps maintaining Hong Kong’s competitive edge as a major international trading centre and a regional logistics hub.

To facilitate the launch, the Department has recently established two AEO Teams...
under the Intelligence Bureau (IB) for processing applications. A booklet detailing guidelines has also been produced to provide companies with information on the operation mechanism and application procedures.

To prepare for the pilot programme, two delegations of the Department visited the Mainland Customs and the Korea Customs from April 14-16, 2010 and on April 30, 2010 respectively to study their AEO programmes, and to understand the latest development of AEO implementation in the Mainland and Korea. The visits also served as a valuable reference in devising the pilot programme for Hong Kong.

The delegations, headed by Assistant Commissioner (Excise and Strategic Support), Mr Yu Koon-hing, had a fruitful exchange with the Customs counterparts on their experiences on AEO implementation and established formal contacts with their AEO offices for future dialogue.

The accreditation of AEO is a new task to the Customs and requires professional knowledge and skills in auditing and supply chain security. To equip Hong Kong Customs officers involved in the pilot programme with relevant knowledge and the skills in conducting on-site validation, the Department organised a five-day AEO training course in mid-June 2010. A total of 20 frontline officers from the AEO Teams of IB and those performing customs clearance duties attended the course.

The participants found the course useful to their work on the implementation of the pilot programme, in particular the on-site visit to two companies which provided practical experience in validation and verification processes.

To keep the trade abreast of the development of the HK AEO Programme, the Department has started introducing the planned framework to members of the Customer Liaison Groups (CLGs) and the Hong Kong Shippers’ Council, including the Hong Kong Association of Freight Forwarding and Logistics Limited (HAFFA), since September 2009. In May 2010, the Department invited companies, mainly shippers, to join the programme as forerunners.

The Department will conduct a review on the pilot programme 12 months after its implementation and decide the way forward as regard the full implementation of the AEO programme in Hong Kong, including the feasibility of mutual recognition of AEO status with other Customs administrations.
THE DEVELOPMENT OF CUSTOMS DEPARTMENTAL QUARTERS PROJECT

The Customs’ Departmental Quarters at Tsing Chau Street and Lee Kung Street in Hung Hom are going to be redeveloped to provide quality quarters for Customs Officers. On July 16, 2010, the Commissioner of Customs and Excise, Mr Richard Yuen, together with the Deputy Commissioner, Mr Luke Au Yeung; the Assistant Commissioner (Excise and Strategic Support), Mr Yu Koon-hing; and Project Director of Architectural Services Department, Mr Chow Chi-ping, inaugurated the Ground Breaking Ceremony of the redevelopment project.

The old quarters, constructed in the early 1960s, comprised two blocks of seven storeys and 10 storeys, providing a total of 30 quarters units for officers of inspectorate grade and above. Although the quarters did not have any ancillary facilities, there were 25 car-parking spaces provided and the 10-storey building with lifts to facilitate residents stood out among other old buildings in the vicinity of the district. It did provide an ideal and stable home to officers of Customs and Excise Department, which enabled them to devote to their work wholeheartedly and to provide excellent service for the public.

After nearly half a century, the two buildings had become old and substandard which requires frequent maintenance and repairs. However, many fittings and facilities were found beyond economical repair. The design and facilities were also far below the current standard. For better utilisation of existing resources, the Department determined to redevelop the site to provide additional quality departmental quarters for staff members, as well as to ease the existing shortfall in quarters.

In June 2009, the Legislative Council’s Finance Committee approved funding of $275 million for the redevelopment of quarters. The site preparatory work started in mid-May 2010. By August 2012, a new 24-storey quarters building is expected to be ready for occupation.

The new quarters building will provide a total of 80 units with a usable area of 85 square metres each. It will have comprehensive facilities and each unit will be provided with all basic utilities. Public facilities include 24-hour security service with modern security system, environmental standard acoustic structure, energy saving lighting system and battery recharging facility for environmental-friendly vehicles. Ancillary facilities including a multi-function room, 25 car-parking spaces and small-scale outdoor children playing fixtures will also be provided.

Office of Project Planning and Development
COMMISSIONER ATTENDS 13TH WCO ASIA PACIFIC REGIONAL HEADS OF CUSTOMS ADMINISTRATIONS CONFERENCE

The Commissioner of Customs and Excise, Mr Richard Yuen, led a delegation to attend the 13th World Customs Organization (WCO) Asia Pacific Regional Heads of Customs Administrations Conference in Seoul, Korea from April 27 to 30, 2010.

A total of 24 Asia Pacific member administrations and representatives from the WCO, Regional Intelligence Liaison Office (RILO) Asia Pacific and Regional Office for Capacity Building Asia Pacific attended this biennial regional meeting.

The meeting reviewed the Asia Pacific Regional Strategic Plan (RSP) 2008-10, and endorsed the RSP 2010-12 which sets out regional priorities and timeframe to take forward the 10 building blocks for the strategic direction of the WCO “Customs in the 21st Century” (C21) policy.

In the panel discussion on “Challenge for the new paradigm of Customs in the 21st Century”, members exchanged views on formulation of the regional plan to cope with the implementation of some important C21 building blocks, including “Intelligence-driven Risk Management”, “Coordinated Border Management” and “Capacity Building”.

The meeting also endorsed the establishment of the 6th WCO Asia Pacific Regional Training Centre in Korea and the hosting by the Korea Customs Service of the RILO Asia Pacific starting January 2011.

Customs Liaison Bureau

DEPUTY COMMISSIONER ATTENDS 115TH/116TH WCO COUNCIL SESSIONS

The Deputy Commissioner of Customs and Excise, Mr Luke Au Yeung, led a Hong Kong Customs delegation to the 115th/116th Sessions of the Customs Co-operation Council (Council Sessions) at the World Customs Organization (WCO) Headquarters in Brussels, Belgium from June 24 to 26, 2010.

At the Council Sessions, member administrations shared views on various topics concerning Customs in the 21st Century, in particular risk management,
Commitment and Excellence

HK CUSTOMS STRENGTHENS CO-OPERATION WITH COUNTERPARTS

The Commissioner of Customs and Excise, Mr Richard Yuen, signed a Customs Co-operative Arrangement with the Chairman of the State Customs Service of Ukraine, Mr Ihor Kaletnik, in Hong Kong on September 4, 2010, regarding co-operation and mutual administrative assistance in customs matters with the State Customs Service of Ukraine. The signing ceremony was witnessed by the Chief Executive, Mr Donald Tsang, and President of Ukraine, Mr Viktor Yanukovych.

Risk management is currently a priority of the WCO. During the Council Sessions, a special panel was held for senior officials to discuss issues related to risk management. The Council also endorsed the implementation plan for taking forward some risk management initiatives in the coming year, including the publication of the WCO Risk Management Compendium, and organising the WCO regional workshops on risk management.

The Council also approved a number of WCO administrative and budgetary proposals, and held elections for two posts - Director for Compliance and Facilitation Directorate (CFD) and Director for the Capacity Building Directorate (CBD). Mr Zhu Gaozhang from the General Administration of Customs of the People’s Republic of China was elected as the Director for CFD, whereas Mr Erich Kieck from the Revenue Service of South Africa as the Director for CBD. They will assume the office for a five-year term starting January 1, 2011.

Customs Liaison Bureau
Co-operative Arrangement signifies the mutual commitment and determination of the two customs administrations to enhance co-operation in combating transnational smuggling and criminal activities.

 Besides, Mr Yuen also signed a Memorandum of Understanding (MOU) on Co-operation and Mutual Administrative Assistance in Customs Matters with the Head of the Customs Directorate of the Israel Tax Authority, Mr Doron Arbely, in Jerusalem on May 4, 2010 during a four-day visit to Israel.

 With the signing of the MOU, both parties were committed to co-operating more closely through mutual administrative assistance on matters relating to information exchange and enforcement of customs laws.

 During the visit in Israel, the Hong Kong Customs delegation, led by Mr Yuen, paid visits to the Allenby Land Border Crossing and the Port of Haifa to acquaint themselves with the passenger and cargo clearance process of the Israeli Customs.

 Together with the latest two arrangements, Hong Kong Customs has so far signed Customs Co-operative Arrangements with its 17 counterparts.
VISIT OF ATTACHÉS OF OVERSEAS CUSTOMS ADMINISTRATIONS AND LAW ENFORCEMENT AGENTS

A familiarisation visit was organised for 13 Customs attachés of overseas customs administrations and law enforcement agents in Hong Kong and Beijing on May 25, 2010 to enhance their understanding of the operation of Hong Kong Customs and to strengthen mutual co-operation. Accompanied by Assistant Commissioner (Boundary and Ports), Mr Chow Kwong, the group visited the Shenzhen Bay Control Point and the Air Cargo Terminals to understand the Customs’ operations and the latest development, including the implementation of the Road Cargo System (ROCARS) at land boundary control points.

The group also visited several sea smuggling black spots on board a Customs sector patrol launch to know more about the latest sea smuggling trend in Hong Kong and the effort of Hong Kong Customs in detecting and fighting against sea smuggling activities.

HEAD OF TRADE CONTROLS VISITS GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION AND QUARANTINE

The Head of Trade Controls, Mr Cheung Sai-yan, and four officers of Consumer Protection Bureau met with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the Mainland in Beijing on August 3, 2010 to discuss how to enhance co-operation in the enforcement and control work concerning the safety of consumer goods, toys and children’s products.

Both parties gained a better understanding of each other’s organisational structure, legal framework and responsibilities through an exchange of information and experiences. They also agreed in principle on future co-operation in various areas, including setting up an enhanced notification mechanism, intelligence and information exchange, regular meetings, staff training and experience sharing.
Frontline Customs officers from time to time are required to take photographs for evidence record and other purposes. In order to enhance the officers’ photo-taking skills to meet the requirements for case processing or press briefings, the Office of Service Administration (OSA) organised a training course on June 8, 2010. The course covered photography theory and skills in operating different types of cameras.

A total of 20 officers from the Rail and Ferry Command attended the course, which they found beneficial to their case work. Taking into consideration the overwhelming response from the officers, OSA is planning to extend the course to more colleagues in the future.

With effect from August 1, 2010, the quantity of tobacco products allowed to bring into Hong Kong has changed. Under the new measure, an incoming passenger aged 18 or above could only bring into Hong Kong for his own use no more than 19 cigarettes; or 1 cigar or 25 grams of cigars; or 25 grams of other manufactured tobacco. Incoming passengers bringing in excess tobacco products should proceed to the Red Channel to make a declaration to Customs officers.

To arouse public awareness of the new measure, the Customs and Excise Department had started its preparatory work for a publicity campaign well in advance. The publicity campaign included the production of a TV Announcement in the Public Interest (API) and the corresponding radio API for broadcasting in July, and a series of publicity activities launched at various control points starting from late June, such as the display of banners, broadcasting of announcements and distribution of leaflets and souvenirs. Moreover, posters, banners and stickers had been displayed at MTR East Rail Line Stations and inside the MTR train compartments.

In addition, Divisional Commanders of the Airport Command, Land Boundary Command, Rail and Ferry Command, and Ports and Maritime Command, together with Customs officers at the control points, started distributing the “Notice to Travellers” leaflets and souvenirs to travellers from June 25 to remind passengers of the new measure.
WINNERS OF “PROTECTION OF INTELLECTUAL PROPERTY RIGHTS ON THE INTERNET CREATIVE COMPETITION” VISIT JAPAN

To promote the respect for intellectual property rights (IPR) on the Internet and cultivate positive values among youngsters, the Customs and Excise Department (C&ED) and the Intellectual Property Rights Protection Alliance (IPRPA), supported by Intellectual Property Department (IPD), jointly organised the Protection of Intellectual Property Rights on the Internet Creative Competition from May 4 to June 14, 2010.

Members of the Youth Ambassador Against Internet Piracy Scheme (YAS), aged from 15 to 18, were invited to join the competition by submitting proposals with creative ideas on IPR enforcement and education.

A workshop for the competition was held at the Customs and Excise Training School on May 23 to brief participants on IPR enforcement on the Internet as well as relevant publicity and education work to facilitate their presentation of proposals. The participants also took the chance to exchange views and share experiences.

An assessment panel comprising representatives from C&ED, IPD and IPRPA met with the participants in mid-July to assess their proposals in the light of the theme, feasibility and creativity.

The best 10 winners were awarded to join a study tour to Japan in late August to deepen their understanding of the work and contributions of Japanese institutions in protecting intellectual property rights through visits and cultural exchange. They also shared their experiences with other members of their youth uniformed groups after returning to Hong Kong to help promote the respect for intellectual property rights.