

CONTROLLING OFFICER'S REPLY

SB234

(Question Serial No. 0516)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please list the details of the joint operations mounted by the Mainland and Hong Kong authorities in combatting parallel trade activities as well as the expenditure and manpower involved in the past 3 years. Please also list the types of smuggled goods seized, their values and the number of persons arrested in each of these joint operations.

Asked by: Hon KWOK Wai-keung (Member Question No. 9)

Reply:

Both Hong Kong Customs and Shenzhen Customs have taken great effort to suppress cross-boundary parallel trade activities since September 2012 and the work in this area has been made routine. As at December 2015, the two sides mounted a total of 828 joint operations.

In the above operations, the Shenzhen Customs detected 1 075 cases based on notifications from Hong Kong, involving 1 081 outbound persons and goods with a total value of \$17.34 million. The goods were mainly laptop and tablet computers, smartphones, jewellery and food. Meanwhile, Hong Kong Customs also detected 281 cases based on notifications from Shenzhen, involving 281 inbound persons and dutiable commodities, namely cigarettes and liquors, with a total value of approximately \$660,000.

As the resources involved in the above work have been subsumed under the general operating expenditure, the Customs and Excise Department does not have the relevant breakdown.

CONTROLLING OFFICER'S REPLY

SB235

(Question Serial No. 0517)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

How many cases of “parallel trade activities” were cracked down by the Customs and Excise Department at various boundary control points in the past 3 years? How many of them were outbound and inbound cases respectively? How many cases and persons were successfully prosecuted? What were the types of goods involved? What are the estimated manpower and expenditure in this aspect for the coming year?

Asked by: Hon KWOK Wai-keung (Member Question No. 10)

Reply:

Both Hong Kong and Shenzhen Customs have taken great effort to suppress cross-boundary parallel trade activities since September 2012 and the work in this area has been made routine. As at December 2015, the two sides mounted a total of 828 joint operations.

In the above operations, the Shenzhen Customs detected 1 075 cases based on notifications from Hong Kong, involving 1 081 outbound persons and goods with a total value of \$17.34 million. The goods were mainly laptop and tablet computers, smartphones, jewellery and food. Meanwhile, Hong Kong Customs also detected 281 cases based on notifications from Shenzhen, involving 281 inbound persons and dutiable commodities, namely cigarettes and liquors, with a total value of approximately \$660,000.

As the resources involved in the above work have been subsumed under the general operating expenditure, the Customs and Excise Department does not have the relevant breakdown.

CONTROLLING OFFICER'S REPLY**SB236****(Question Serial No. 0518)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Security/ Secretary for Financial Services and the Treasury/ Secretary for Commerce and Economic DevelopmentQuestion:

In respect of the seizures effected in Customs enforcement operations in the past 3 years, how many dutiable and non-dutiable commodities were confiscated respectively? Please list the top 5 types of seizures in terms of value in the said two categories respectively.

Asked by: Hon KWOK Wai-keung (Member Question No. 11)Reply:

According to the Dutiable Commodities Ordinance (Cap. 109), dutiable commodities are mainly comprised of 4 categories of goods, namely tobacco, liquors, hydrocarbon oil and methyl alcohol. Between 2013 and 2015, no methyl alcohol was seized by the Customs and Excise Department. As for non-dutiable commodities, the top 5 types of seizures in terms of value are electrical and electronic goods, animals and plants, computers and accessories, foodstuff and drinks as well as clothing and footwear. Since the articles seized are of various types involving different measurement units, they cannot be compared by quantity. The number of relevant cases are given below:

Number of cases involving dutiable commodities

Category of articles	2013	2014	2015
Tobacco	17 208	18 007	15 771
Liquors	4 468	5 568	5 342
Hydrocarbon oil	20	24	32
Total	**21 696	**23 599	**21 145

Number of cases involving non-dutiable commodities

Category of articles	2013	2014	2015
Foodstuff & drinks	4 366	4 938	4 440
Pets, animals & plants	387	464	402
Meat (excluding endangered species)	390	334	283
Chemicals, antibiotics & pharmaceutical products	92	100	192
Electrical & electronic goods (including game hardware)	113	132	100
Arms & weapons	50	132	93
Computer & accessories	70	68	87
Clothing, footwear, leather goods & glasses	75	48	26
Machinery & equipment	8	9	19
Household products	11	6	10
Cosmetic & beauty	19	13	9
Conveyance	13	12	9
Watches, parts & accessories	18	15	5
Stationery, toys & sports equipment	9	11	4
Valuable substance/document	11	5	4
Children products	4	9	3
Medium & Equipment	3	1	3
Strategic commodities	1	3	1
Optical disc	6	4	0
Others	176	145	143
Total	**5 822	**6 449	**5 833

**A case may involve multiple categories of articles

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0223)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Would the Government advise this Committee on the numbers of illegal cases relating to “parallel trade” detected by the Customs and Excise Department at boundary control points in the past year? How many cases were successfully prosecuted? What plans does the Government have to combat “parallel trade” activities at the boundaries in the coming year? How much manpower and estimated provision will be required?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 6)

Reply:

Both Hong Kong and Shenzhen Customs have taken great effort to suppress cross-boundary parallel trade activities since September 2012 and the work in this area has been made routine. In 2015, the two sides conducted a total of 206 joint operations.

In the above operations, the Shenzhen Customs detected 240 cases based on notifications from Hong Kong, involving 240 outbound persons and goods with a total value of \$8.35 million. The goods were mainly laptop and tablet computers, smartphones, jewellery and food. Meanwhile, Hong Kong Customs also detected 104 cases based on notifications from Shenzhen, involving 104 inbound persons and dutiable commodities, namely cigarettes and liquors, with a total value of approximately \$240,000.

The resources involved in the above work have been subsumed under the general operating expenditure. The Customs and Excise Department (C&ED) does not have the relevant breakdown.

The Government of the Special Administrative Region has been pressing ahead with enforcement action against parallel goods by implementing multi-pronged measures and through inter-departmental co-operation. C&ED and the relevant government departments will continue to closely monitor the situation and maintain the order of control points through enhanced communication, co-operation and enforcement.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2477)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security/ Secretary for Financial Services and the Treasury/ Secretary for Commerce and Economic Development

Question:

During 2016-17, the Customs and Excise Department (C&ED) will continue to take proactive action against smuggling activities through intelligence-based operations and closer co-operation with the Mainland and overseas authorities. What are the details, estimated expenditure and manpower involved in the relevant work for the coming year? In the past 5 years, how many smuggling cases were detected and persons arrested by C&ED? How much revenue was generated to the Treasury by the auctioned goods?

Asked by: Dr Hon LAM Tai-fai (Member Question No. 69)

Reply:

In 2016-17, the Customs and Excise Department (C&ED) will continue to closely monitor the smuggling trends by gathering relevant intelligence, and take initiative in forging joint actions with Mainland and overseas law enforcement agencies against cross-boundary smuggling activities.

Since the resources involved in the above work have been subsumed under the general operating expenditure, C&ED does not have the relevant breakdown.

The numbers of smuggling cases detected and persons arrested by C&ED in the past 5 years were as follows:

	2011	2012	2013	2014	2015
No. of cases	201	199	284	254	222
No. of persons arrested	215	190	237	274	186

C&ED does not have the figures of the revenue generated from auction of seized smuggling goods.

CONTROLLING OFFICER'S REPLY

SB239

(Question Serial No. 1195)

Head: (31) Customs and Excise Department

Subhead (No. & title): (603) Plant, vehicles and equipment

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please provide the justifications for the replacement of mobile X-ray vehicle scanning system for Kwai Chung Customhouse under items 882 and 883 of Subhead 603 and the estimated expenditure for 2016-17.

Asked by: Hon LEE Cheuk-yan (Member Question No. 6)

Reply:

The 2 mobile X-ray vehicle scanning systems of the Customs and Excise Department (C&ED) at Kwai Chung Customhouse have been in use for over 12 years. The Electrical and Mechanical Services Department confirmed in October 2014 that their overall performances had fallen and continuing their maintenance period would be uneconomical. It is necessary for C&ED to replace those equipment as soon as possible to avoid hampering the efficiency of custom clearance at container terminals. The estimated expenditure in this respect for 2016-17 is \$1.406 million.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 2754)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Would the Administration please state in detail as to how much of the estimated provision will be spent on carrying out the following work this year, and specify the expenditure involved in each area of work:

1. take proactive action against smuggling activities through intelligence-based operations and closer co-operation with the Mainland and overseas authorities;
2. improve clearance services to facilitate efficient passenger and cargo flows across the boundary;
3. closely monitor the operation of the electronic Road Cargo System to ensure efficient and effective clearance of cross-boundary goods vehicles; and
4. ensure smooth operation of the Inter-modal Transshipment Facilitation Scheme, whereby cargoes involving inter-modal transfer (e.g. from land to air and sea) will only be subject to customs inspection at either the point of exit or entry.

Asked by: Hon Andrew LEUNG Kwan-yuen (Member Question No. 1)

Reply:

Regarding the matters mentioned in the question, the Customs and Excise Department (C&ED) has the following key initiatives for 2016-17:

1. C&ED will continue to closely monitor the smuggling trends by gathering relevant intelligence, and take initiative in forging joint actions with Mainland and overseas law enforcement agencies against cross-boundary smuggling activities.

2. In respect of passenger clearance, C&ED will continue to adopt a risk management approach and actively bring in advanced technology to assist in contraband detection; with regard to cargo clearance, C&ED will optimise the mode of clearance to enhance efficiency, for example, by making use of more convenient large scanning systems.

3. The Road Cargo System has been operating smoothly since its introduction. C&ED will update the hardware and software of the System in a timely manner to cope with the development needs of the logistics industry.

4. In 2010, C&ED launched the Inter-modal Transshipment Facilitation Scheme so that transshipment cargoes need not be subject to repeated inspections at ports of entry and exit. On this basis, both Hong Kong and Guangdong Customs will launch the Single E-lock Scheme in the first quarter this year. By interconnecting the Hong Kong Inter-modal Transshipment Facilitation Scheme and the Mainland's Cross-boundary Express Clearance System with a single electronic lock, the Scheme will help simplify clearance formalities and speed up cargo transshipment.

As the financial resources involved in the above work have already been subsumed under the general operating expenditure, C&ED does not have the relevant breakdown.

- End -

CONTROLLING OFFICER'S REPLY

SB241

(Question Serial No.: 1487)

Head: (31) Customs and Excise Department

Subhead (No. & title): (603) Plant, vehicles and equipment

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

The approved estimate of \$95.96 million for procurement of plant, vehicles and equipment in 2015-16 represents a surplus over the revised estimate of \$13.90 million. Does the new estimate of \$53.952 million carry forward the surplus in the last estimate for procurement of plant and equipment required? As the amount shown is quite detailed, have the items of procurement been clearly decided? What kinds of plant and equipment are they?

Asked by: Hon NG Leung-sing (Member Question No.: 6)

Reply:

The revised estimate of the Customs and Excise Department is lower than the approved estimate under Subhead 603 for 2015-16, mainly due to the delay in the delivery of 2 already-ordered mobile X-ray vehicle scanning systems (Item 847) from 2015-16 to 2016-17. This has resulted in the increase in the Department's estimated expenditure on procurement for 2016-17. Besides, the estimated expenditure for 2016-17 also covers the following:

Item Code	Item Details
832 and 833	Replacement of 2 high speed pursuit crafts
876 and 881	Procurement of 2 X-ray checkers
882 and 883	Replacement of 2 mobile X-ray vehicle scanning systems

CONTROLLING OFFICER'S REPLY

SB242

(Question Serial No. 1488)

Head: (31) Customs and Excise Department

Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

In the Estimates for the new financial year, the provision of \$32.952 million under Minor plant, vehicles and equipment (block vote) represents a sharp increase of 165.1% over that for 2015-16. What types of minor plant, vehicles and equipment will be procured with such a big provision in the new financial year? What are the reasons?

Asked by: Hon NG Leung-sing (Member Question No. 7)

Reply:

As set out in the Introduction to the Estimates, from 2016-17 onwards, the ambit of Subhead 661 Minor plant, vehicles and equipment (block vote) covers expenditure on individual items with the cost above \$200,000 but not exceeding \$10 million. The coverage is wider than the previous range of above \$150,000 but not exceeding \$2 million.

The provision of \$32.952 million under Subhead 661 Minor plant, vehicles and equipment (block vote) for Customs and Excise Department represents an increase of \$20.523 million (165.1%) over the revised estimate for 2015-16. This reflects the updating of the ambit of this block vote subhead as set out in the Introduction to the Estimates and the increased requirement for scheduled replacement of minor plants and equipment. Details of the new and replacement equipment in 2016-17 are as follows:

- (1) Replacement of the Automatic Vehicle Recognition System (AVRS) at Shenzhen Bay Control Point;
- (2) Replacement of chillers of air-conditioning system at Kwai Chung Customhouse;
- (3) Replacement of freight lift system and firemen's lift system at Kwai Chung Customhouse;
- (4) Replacement of 6 X-ray checkers for customs clearance at various control points;
- (5) Replacement of 2 desktop trace explosives detectors for customs clearance at Shenzhen Bay Control Point;

- (6) Replacement of 1 handheld trace contraband detector for customs clearance at the Hong Kong International Airport;
- (7) Replacement of 4 forklift trucks for customs clearance at various control points;
- (8) Replacement of air-conditioning system at Export Cargo Examination Building of Man Kam To Control Point;
- (9) Procurement of inspection equipment for customs clearance at Ocean Terminal;
- (10) Procurement of Vessel Monitoring System at Hong Kong Link Road (Chek Lap Kok Section);
- (11) Procurement of vehicle examination data sharing system for First Registration Tax assessment; and
- (12) Procurement of 1 set of video and audio streaming equipment for Electronic Crime Investigation Centre (ECIC) at Customs Headquarters Building (CHB).

- End -

CONTROLLING OFFICER'S REPLY

SB243

(Question Serial No. 1749)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department estimates that there will be an increase of 19 non-directorate posts in 2016-17. In this regard, would the Administration please provide the following information:

- a) the number of posts to be deleted and created by the Department by programme, rank and function;
- b) the establishment, strength, staff wastage and number of retirees of each rank by programme in 2015-16 and the estimated figures of such in 2016-17.

Asked by: Hon POON Siu-ping (Member Question No. 9)

Reply:

- a) In 2016-17, the Customs and Excise Department will have a net increase of 19 posts. The posts to be created and deleted are all under Programme (1). The new posts are mainly created for implementing measures to facilitate trade in goods, conducting prosecution and providing other supporting duties. The details are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Programme (1)		
Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	4	-
Inspector of Customs and Excise	2	-
Chief Customs Officer	2	-
Senior Customs Officer	3	-
Customs Officer	7	-
Official Languages Officer II	1	-
Senior Typist	-	-1

Sub-total:	20	-1
Posts to be created	20	
Posts to be deleted	-1	
Net increase of posts	19	

b) The establishment in 2015-16 and the estimated establishment in 2016-17 are as follows:-

Financial year	Programme (1)	Programme (2)	Programme (3)	Programme (4)	Programme (5)	Total
2015-16	4 630	379	487	298	353	6 147
2016-17	4 649	379	487	298	353	6 166

The establishment and the strength of each rank in 2015-16 are as follows:

<i>Rank</i>	<i>Establishment (Strength*)</i>	<i>Rank</i>	<i>Establishment (Strength*)</i>
Commissioner of Customs and Excise	1 (1)	Statistician	1 (1)
Deputy Commissioner of Customs and Excise	1 (1)	Statistical Officer I	2 (1)
Assistant Commissioner of Customs and Excise	3 (4)	Statistical Officer II	2 (3)
Administrative Officer Staff Grade C	1 (0)	Armourer I	1 (2)
Senior Principal Trade Controls Officer	1 (0)	Armourer III	1 (1)
Chief Superintendent of Customs and Excise	2 (1)	Senior Systems Manager	2 (3)
Senior Superintendent of Customs and Excise	17 (15)	Systems Manager	5 (6)
Superintendent of Customs and Excise	34 (34)	Analyst / Programmer I	16 (16)
Assistant Superintendent of Customs and Excise	74 (60)	Analyst / Programmer II	6 (3)
Senior Inspector of Customs and Excise	323 (323)	Assistant Computer Operation Manager	1 (1)
Inspector of Customs and Excise	485 (505)	Senior Computer Operator	1 (1)
		Computer Operator I	9 (9)
		Computer Operator II	9 (9)

Chief Customs Officer	364 (314)
Senior Customs Officer	1 103 (983)
Customs Officer	2 620 (2 475)
Principal Trade Controls Officer	6 (6)
Chief Trade Controls Officer	24 (24)
Senior Trade Controls Officer	78 (80)
Trade Controls Officer	186 (181)
Assistant Trade Controls Officer	181 (173)
Chief Executive Officer	1 (1)
Senior Executive Officer	4 (2)
Executive Officer I	19 (16)
Executive Officer II	4 (8)
Senior Treasury Accountant	1 (0)
Treasury Accountant	4 (5)
Senior Accounting Officer	1 (1)
Accounting Officer I	6 (7)
Accounting Officer II	2 (2)
Senior Training Officer	1 (1)
Training Officer I	1 (1)
Senior Official Languages Officer	1 (1)
Official Languages Officer I	3 (2)
Official Languages Officer II	14 (14)
Calligraphist	1 (1)
Senior Personal Secretary	1 (1)
Personal Secretary I	6 (6)
Personal Secretary II	16 (16)

Assistant Data Preparation Supervisor	0 (0)
Senior Confidential Assistant	1 (1)
Confidential Assistant	7 (7)
Senior Clerical Officer	7 (7)
Clerical Officer	31 (30)
Assistant Clerical Officer	129 (132)
Clerical Assistant	98 (93)
Office Assistant	21 (20)
Chief Supplies Officer	1 (1)
Senior Supplies Officer	1 (1)
Supplies Officer	3 (3)
Assistant Supplies Officer	3 (4)
Senior Supplies Supervisor	1 (0)
Supplies Supervisor I	11 (11)
Supplies Supervisor II	24 (28)
Supplies Assistant	11 (12)
Special Driver	22 (18)
Motor Driver	61 (63)
Workman II	35 (22)
Cook	1 (1)
Leisure Services Manager	1 (1)
Assistant Leisure Services Manager II	1 (1)
Management Services Officer I	1 (1)
Senior Launch Master	4 (3)
Launch Assistant	9 (5)
Special Photographer I	1 (0)

Senior Typist	3 (3)
Typist	8 (8)
Senior Divisional Occupational Safety Officer	1 (1)
Transport Services Officer I	1 (1)

Special Photographer II	3 (0)
Total	6 147 (5 799)

*The strength as at 31 January 2016, including officers on pre-retirement leave.

The estimated establishment of each rank in 2016-17 is given below. Figures on strength cannot be ascertained due to various factors like resignation and early retirement:

<i>Rank</i>	<i>Establishment</i>
Commissioner of Customs and Excise	1
Deputy Commissioner of Customs and Excise	1
Assistant Commissioner of Customs and Excise	3
Administrative Officer Staff Grade C	1
Senior Principal Trade Controls Officer	1
Chief Superintendent of Customs and Excise	2
Senior Superintendent of Customs and Excise	17
Superintendent of Customs and Excise	35
Assistant Superintendent of Customs and Excise	74
Senior Inspector of Customs and Excise	327
Inspector of Customs and Excise	487
Chief Customs Officer	366
Senior Customs Officer	1 106

<i>Rank</i>	<i>Establishment</i>
Statistician	1
Statistical Officer I	2
Statistical Officer II	2
Armourer I	1
Armourer III	1
Senior Systems Manager	2
Systems Manager	5
Analyst / Programmer I	16
Analyst / Programmer II	6
Assistant Computer Operation Manager	1
Senior Computer Operator	1
Computer Operator I	9
Computer Operator II	9
Assistant Data Preparation Supervisor	0
Senior Confidential Assistant	1

Customs Officer	2 627
Principal Trade Controls Officer	6
Chief Trade Controls Officer	24
Senior Trade Controls Officer	78
Trade Controls Officer	186
Assistant Trade Controls Officer	181
Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	19
Executive Officer II	4
Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1
Accounting Officer I	6
Accounting Officer II	2
Senior Training Officer	1
Training Officer I	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	15
Calligraphist	1
Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	16
Senior Typist	2
Typist	8

Confidential Assistant	7
Senior Clerical Officer	7
Clerical Officer	31
Assistant Clerical Officer	129
Clerical Assistant	98
Office Assistant	21
Chief Supplies Officer	1
Senior Supplies Officer	1
Supplies Officer	3
Assistant Supplies Officer	3
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	24
Supplies Assistant	11
Special Driver	22
Motor Driver	61
Workman II	35
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	4
Launch Assistant	9
Special Photographer I	1
Special Photographer II	3
Total	6 166

Senior Divisional Occupational Safety Officer	1		
Transport Services Officer I	1		

The staff wastage and number of retirees in 2015-16 and the estimated number of retirees in 2016-17 are given below.

	2015-2016		2016-2017
	Staff Wastage	Number of Retirees	Estimated Number of Retirees
Superintendent/ Inspectorate Grade	2	32	50
Customs Officer Grade	64	163	173
Trade Controls Officer Grade	5	6	21
Other Grades	7	35	26

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 1312)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Under this programme, matters requiring special attention of the Customs and Excise Department in 2016-17 include taking proactive action against smuggling activities through intelligence-based operations and closer co-operation with the Mainland and overseas authorities. In this respect, please inform this Committee of the following:

1. In 2016-17, will manpower be increased for strengthening enforcement? If yes, what are the amount of estimated expenditure involved, number of additional staff, posts and terms of employment? If no, what are the reasons?
2. In 2016-17, will additional resources be allocated for establishing new information platforms with the aid of innovation and technology to enhance communication with the Mainland Customs and facilitate mutual enforcement actions? If yes, what are the details of the estimated expenditure involved? If no, what are the reasons?
3. What are the details of the expenditure and manpower involved in conducting joint operations with the Mainland Customs to suppress parallel trade activities in the past 2 years? Will additional resources and manpower be allocated to step up enforcement? and
4. Has the Administration reviewed the effectiveness of various measures taken to suppress parallel trade activities since 2012? If yes, what are the details? If no, what are the reasons?

Asked by: Hon Tony TSE Wai-chuen (Member Question No.: 32)

Reply:

Both Hong Kong Customs and Shenzhen Customs have taken great effort to suppress cross-boundary parallel trade activities since September 2012 and the work in this area has been made routine. As at December 2015, the two sides had mounted 828 joint operations.

In the above operations, the Shenzhen Customs detected 1 075 cases based on notifications from Hong Kong, involving 1 081 outbound persons and goods with a total value of \$17.34 million. The goods were mainly laptop and tablet computers, smartphones, jewellery and food. Meanwhile, Hong Kong Customs also detected 281 cases based on notifications from Shenzhen, involving 281 inbound persons and dutiable commodities, namely cigarettes and liquors, with a total value of approximately \$660,000.

As the resources involved in the above work have been subsumed under the general operating expenditure, the Customs and Excise Department (C&ED) does not have the relevant breakdown.

In 2016-17, C&ED will continue to closely monitor the trend of parallel goods activities, make timely review on the enforcement effectiveness, and deploy internal resources in response to the actual situation and needs. Currently, C&ED does not have any plans to increase manpower for enforcement against parallel goods activities.

- End -

CONTROLLING OFFICER'S REPLY

SB245

(Question Serial No. 3090)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development / Secretary for Financial Services and the Treasury

Question:

The provision for 2016-17 is \$90 million higher than the revised estimate for 2015-16, partly due to the need for an increase of 19 posts. What are reasons for the creation of such posts, their job duties and the expenditure involved?

Asked by: Hon WONG Ting- kwong (Member Question No. 51)

Reply:

In 2016-17, the Customs and Excise Department will have a net increase of 19 posts, involving an expenditure of \$9.83 million. They are mainly created for implementing measures to facilitate trade in goods, conducting prosecution and performing other supporting duties. Details are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	4	-
Inspector of Customs and Excise	2	-
Chief Customs Officer	2	-
Senior Customs Officer	3	-
Customs Officer	7	-
Official Languages Officer II	1	-
Senior Typist	-	- 1

	Total
Posts to be created	20
Posts to be deleted	-1
Net increase of posts	19

CONTROLLING OFFICER'S REPLY

SB499

(Question Serial No. 5392)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department (C&ED) will have an estimated 6 138 non-directorate posts as at 31 March 2016 rising by 19 posts to 6 157 posts as at 31 March 2017. What are the types and nature of work of the relevant newly-recruited posts? Meanwhile, C&ED has 9 directorate posts. Will the Government advise this Committee of the types, salaries, allowances and nature of work of these 9 directorate posts as well as the types, numbers, salaries, allowances and nature of work of the 6 138 non-directorate permanent posts?

Asked by: Hon CHAN Chi-chuen (Member Question No. 150)

Reply:

In 2016-17, the Customs and Excise Department (C&ED) will have a net increase of 19 posts, involving an expenditure of \$9.83 million. They are mainly created for implementing measures to facilitate trade in goods, conducting prosecution and performing other supporting duties. The details are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	4	-
Inspector of Customs and Excise	2	-
Chief Customs Officer	2	-
Senior Customs Officer	3	-
Customs Officer	7	-
Official Languages Officer II	1	-
Senior Typist	-	-1
	Total	
Posts to be created	20	
Posts to be deleted	-1	
Net increase of posts	19	

In 2016-17, C&ED has an estimated establishment of 6 166 posts, involving an expenditure of \$2.53 billion. They are mainly deployed for the duties of anti-smuggling operations, protection and collection of revenue, narcotics detection, protection of intellectual property rights, protection of consumer interests, regulation of money service operators, trade controls and business facilitation. Since the estimated expenditure is drawn from the Treasury's computer records, no breakdown of salaries and allowances is available. Details of the establishment are hereby given below:

Rank	Establishment
<i>Directorate</i>	
Commissioner of Customs and Excise	1
Deputy Commissioner of Customs and Excise	1
Assistant Commissioner of Customs and Excise	3
Administrative Officer Staff Grade C	1
Senior Principal Trade Controls Officer	1
Chief Superintendent of Customs and Excise	2
Sub-total	9
<i>Non-directorate</i>	
Senior Superintendent of Customs and Excise	17
Superintendent of Customs and Excise	35
Assistant Superintendent of Customs and Excise	74
Senior Inspector of Customs and Excise	327
Inspector of Customs and Excise	487
Chief Customs Officer	366
Senior Customs Officer	1 106
Customs Officer	2 627
Principal Trade Controls Officer	6
Chief Trade Controls Officer	24
Senior Trade Controls Officer	78
Trade Controls Officer	186
Assistant Trade Controls Officer	181
Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	19
Executive Officer II	4
Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1
Accounting Officer I	6
Accounting Officer II	2
Senior Training Officer	1
Training Officer I	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	15
Calligraphist	1

Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	16
Senior Typist	2
Typist	8
Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1
Statistician	1
Statistical Officer I	2
Statistical Officer II	2
Armourer I	1
Armourer III	1
Senior Systems Manager	2
Systems Manager	5
Analyst / Programmer I	16
Analyst / Programmer II	6
Assistant Computer Operation Manager	1
Senior Computer Operator	1
Computer Operator	9
Computer Operator II	9
Assistant Data Preparation Supervisor	0
Senior Confidential Assistant	1
Confidential Assistant	7
Senior Clerical Officer	7
Clerical Officer	31
Assistant Clerical Officer	129
Clerical Assistant	98
Office Assistant	21
Chief Supplies Officer	1
Senior Supplies Officer	1
Supplies Officer	3
Assistant Supplies Officer	3
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	24
Supplies Assistant	11
Special Driver	22
Motor Driver	61
Workman II	35
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	4
Launch Assistant	9
Special Photographer I	1

Special Photographer II	3
Sub-total	6 157
Total	6 166

- End -

CONTROLLING OFFICER'S REPLY

SB500

(Question Serial No. 5421)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department (C&ED) is the primary agency responsible for the suppression of smuggling activities. It also monitors both the import and export of goods and the licensing of the movement of prohibited and prescribed articles as stipulated in the Import and Export Ordinance (Cap. 60), and detects contraband, controlled items and other violations of the law. Would the Administration inform this Committee how many persons were prosecuted for conveying prohibited articles or controlled items exceeding the specified quantity in the past 3 years?

Asked by: Hon CHAN Chi-chuen (Member Question No. 180)

Reply:

Between 2013 and 2015, the Customs and Excise Department prosecuted a total of 13 390 persons for illegal conveyance of controlled items under the Import and Export Ordinance.

- End -

CONTROLLING OFFICER'S REPLY

SB501

(Question Serial No. 5424)

Head: (31) Customs and Excise Department

Subhead: (103) Rewards and special services

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

A provision of \$11 million under Subhead 103 Rewards and special services is allocated to the Customs and Excise Department. However, the details of expenditure under this subhead were not disclosed on the grounds that it would compromise enforcement effectiveness. Would the Department explain in detail the reasons for declining to disclose the details of expenditure under this subhead? How would the enforcement effectiveness be compromised?

Asked by: Hon CHAN Chi-chuen (Member Question No. 183)

Reply:

Since the expenditure under this subhead involves confidential operations of the Customs and Excise Department in detecting criminal activities, disclosure of the relevant details would enable the criminals to analyse such information and see through the operation strategies of the Department, which would in turn compromise enforcement effectiveness and jeopardise public interest. It is therefore not desirable to disclose such details.

- End -

CONTROLLING OFFICER'S REPLY

SB502

(Question Serial No. 5426)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Could the Administration list in the table below the numbers of cases involving Mainland and foreign visitors who violated import or export restrictions of prohibited/controlled items in Hong Kong in the past 3 years? In the coming year, what are the estimated manpower and expenditure for handling such cases? In addressing an increasing number of visitors who violated import or export restrictions of prohibited/controlled items, what arrangements and measures will be implemented to strengthen enforcement actions?

	2015	2014	2013
Number of Mainland visitors who violated import or export restrictions of prohibited/controlled items			
Number of foreign visitors who violated import or export restrictions of prohibited/controlled items			
Number of visitors who violated import or export restrictions of prohibited/controlled items in Hong Kong			
Total number			

Asked by: Hon CHAN Chi-chuen (Member Question No. 185)

Reply:

The number of cases involving Mainland and other visitors who violated import or export restrictions of prohibited/controlled items for the past 3 years are as follows:

	2015	2014	2013
Mainland visitors	3 824	4 939	3 253
Other visitors	417	404	207
Total number of cases	4 241	5 343	3 460

The fall in the number of cases in 2015 over 2014 was mainly because the Customs and Excise Department (C&ED)'s efforts in combating illicit export of powdered formula for infants under 36 months is beginning to yield positive results. C&ED will continue to co-operate closely with the Mainland Customs to intercept prohibited/controlled items smuggled in/out of Hong Kong through strengthened intelligence collection and on-scene notification. As the resources involved in the above work have already been subsumed under the general operating expenditure, C&ED does not have the relevant breakdown.

- End -

CONTROLLING OFFICER'S REPLY

SB503

(Question Serial No. 5475)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security/ Secretary for Financial Services and the Treasury/ Secretary for Commerce and Economic Development

Question:

What were the expenditure details of the duty visits made by the Commissioner of Customs and Excise in the past 3 years (2013-14 to 2015-16), including the date of visit, place of visit, number of entourage members, purpose of visit, expenses on hotel accommodation, air tickets and meals, and total expenditure for each visit? Please list the amounts of sponsorships received and names of the sponsors (if any).

Asked by: Hon CHAN Chi-chuen (Member Question No. 234)

Reply:

Date of visit (number of visit)	Place of visit	Number of entourage members	Purpose of visit	Air ticket expenses (i)	Hotel accommodation, meal and other expenses# (ii)	Total expenditure (i)+(ii)
2013-14 (6)	Beijing, Brussels, Dublin	1-4	Official visit, conference and duty visit, etc.	Around \$363,000	Around \$133,000	Around \$496,000
2014-15 (6)	Beijing, Hangzhou, Brussels, Canberra, Port Douglas, Auckland, Busan	1-6		Around \$451,000	Around \$212,500	Around \$663,500
2015-16 * (6)	Beijing, Xian, Guangzhou, Brussels	0-7		Around \$196,000	Around \$112,000	Around \$308,000

No sponsorship is involved in the above duty visits.

The subsistence allowance is granted to officers on duty visit in accordance with the Civil Service Regulations and covers the expenses on hotel accommodation, meals and other expenses.

* As at 29 February 2016

CONTROLLING OFFICER'S REPLY**SB504****(Question Serial No. 4258)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for SecurityQuestion:

In the past 3 years, how many live animals were confiscated by the Customs and Excise Department? What were the types of these animals and how were they handled?

Asked by: Hon CHAN Hak-kan (Member Question No. 58)Reply:

In the past 3 years, the numbers of live animals seized by the Customs and Excise Department (C&ED) were as follows:

Type of Animal	Number of Seizure
Bird	859
Chicken	6
Swine	3
Cat	11
Dog	21
Lizard	402
Snake	2 039
Turtle / sea turtle / soft-shelled turtle	21 679
Others	50
Total	25 070

Upon seizure of live animals, C&ED will notify the Agriculture, Fisheries and Conservation Department to take over and handle the seized live animals at the scene.

- End -

CONTROLLING OFFICER'S REPLY

SB505

(Question Serial No. 5769)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for the Environment

Question:

Regarding the smuggling of elephant ivory, please inform this Committee:

1. of the numbers of cases detected; the quantities of elephant ivory seized and their market values; the number of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years. Please list the above information by year;
2. of the quantity of elephant ivory seized in the largest smuggling case detected by the Customs and Excise Department (C&ED) in the past 5 years and its market value; the number of persons arrested, prosecuted and convicted; as well as the penalties imposed;
3. of the destinations where the elephant ivory were supposed to be smuggled to in each of the past 5 years. Please list the information by year and place; and
4. of the expenditure and manpower involved in combating elephant ivory smuggling in each of the past 5 years.

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 66)

Reply:

1. Details regarding the cases of smuggling elephant ivory detected by the Customs and Excise Department (C&ED) in the past 5 years are set out below:

	2011	2012	2013	2014	2015
Number of cases detected	52	51	107	106	105
Quantity of elephant ivory	3 300 kg and 475 pieces of worked ivory	5 500 kg and 37 pieces of worked ivory	7 900 kg and 269 pieces of worked ivory	2 200 kg and 35 pieces of worked ivory	1 600 kg
Market value	\$23 million	\$39 million	\$84 million	\$21 million	\$15 million
Number of persons arrested	44	34	71	107	57

Number of prosecutions	7	16	24	67	32
Number of convictions	6	15	24	65	30
Maximum penalty imposed	Imprisonment for 6 months	Imprisonment for 8 months	Imprisonment for 4 months	Imprisonment for 8 months	Imprisonment for 6 months
Minimum penalty imposed	A fine of \$2,000	A fine of \$2,500	A fine of \$10,000	A fine of \$10,000	A fine of \$30,000

2. The largest cases of smuggling elephant ivory detected by C&ED in each of the past 5 years are as follows:

	2011	2012	2013	2014	2015
Quantity of elephant ivory seized	1 900 kg	1 930 kg	2 230 kg	790 kg	300 kg
Value of articles seized	\$13 million	\$14 million	\$33 million	\$7.9 million	\$3 million
Number of persons arrested	1	0	0	16	0
Number of persons prosecuted	0	0	0	16	0
Number of persons convicted	0	0	0	16	0
Penalty imposed	-	-	-	Imprisonment for 6 months	-

3. The elephant ivory seized were mainly reported to be destined for Hong Kong, but it is believed that majority of them were supposed to be smuggled to peripheral regions.

4. As the financial resources deployed by C&ED in combating smuggling activities of endangered species (including elephant ivory) have been subsumed under the general operating expenditures, the estimated expenditure and manpower involved could hardly be quantified separately.

CONTROLLING OFFICER'S REPLY

SB506

(Question Serial No.: 5771)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for the Environment

Question:

With regard to the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora in Hong Kong, please advise on the following:

1. The numbers of smuggling activities involving species controlled under the Convention detected; the types, quantities and market values of the species involved; the numbers of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years. Please list the above information by year; and
2. The implementation status of the Convention in Hong Kong as well as the expenditure and manpower for law enforcement in each of the past 5 years.

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No.: 68)

Reply:

1. There are various species involved in the smuggling activities of endangered species. The more common items include animal leather product, pangolin carcass/scale, wood log, elephant ivory and orchid. Figures of illegal import and export of species controlled under the Convention that were intercepted by the Customs and Excise Department (C&ED) in the past 5 years are listed below:

	2011	2012	2013	2014	2015
Number of Cases Detected	155	167	412	461	395
Quantity Seized	4 275 kg and 2 516 pieces	6 710 kg and 3 885 pieces	28 800 kg and 3 746 pieces	137 260 kg and 6 696 pieces	1 074 830 kg and 25 218 pieces

Value of Articles Seized	\$46 million	\$51 million	\$110 million	\$87 million	\$130 million
Number of Persons Arrested	132	129	271	355	251
Number of Cases Convicted	85	102	134	222	153
Maximum Penalty Imposed	Imprisonment for 6 months	Imprisonment for 8 months	Imprisonment for 4 months	Imprisonment for 10 months	Imprisonment for 6 months
Minimum Penalty Imposed	A fine of \$100	A fine of \$100	A fine of \$100	A fine of \$100	A fine of \$100

2. Details regarding the issue of licences/certificates on handling of endangered species, the examination of imported and exported cargoes as well as the inspection of shops selling endangered species conducted by the Agriculture, Fisheries and Conservation Department (AFCD) for the enforcement of the Convention in the past 5 years are set out below:

	2011	2012	2013	2014	2015
Number of Licences/Certificates Issued	21 614	25 909	26 935	25 894	23 475
Number of Cargo Examination and Shop Inspection Conducted	27 763	31 899	31 932	33 357	30 963

The amounts of expenditure and manpower allocated by AFCD for the enforcement of the Convention in the past 5 years are as follows:

	2011-12	2012-13	2013-14	2014-15	2015-16
Number of Staff	29	30	33	34	38
Amount of Expenditure	\$14.45 million	\$15.25 million	\$19.60 million	\$20.63 million	\$23.60 million

As for C&ED, since the financial resources involved in combating smuggling activities of endangered species have been subsumed under the general operating expenditure, it would be difficult to separately quantify the expenditure and manpower involved.

CONTROLLING OFFICER'S REPLY

SB507

(Question Serial No. 5772)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security

Question:

Regarding the smuggling of wood logs, please inform this Committee:

1. of the numbers of cases detected; the quantities of wood logs seized and their market values; the number of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years. Please list the above information by year;
2. of the destinations where the wood logs were supposed to be smuggled to in each of the past 5 years. Please list the information by year and place; and
3. of the expenditure and manpower involved in combating smuggling of wood logs in each of the past 5 years.

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 69)

Reply:

1. Details regarding the cases of smuggling wood logs detected by the Customs and Excise Department (C&ED) in the past 5 years are set out below:

	2011	2012	2013	2014	2015
Quantity	420 kg	7 300 kg	181 000 kg	299 000 kg	1 160 000 kg
Number of cases detected	6	9	53	70	32
Market value	\$20,000	\$980,000	\$42 million	\$38 million	\$77 million
Number of persons arrested	4	7	41	59	22

Number of persons prosecuted	0	0	0	8	7
Number of persons convicted	0	0	0	2	5
Maximum penalty imposed	-	-	-	Imprisonment for 10 months	Imprisonment for 10 months
Minimum penalty imposed	-	-	-	Imprisonment for 3 months	A fine of \$10,000

2. The wood logs seized were mainly reported to be destined for Hong Kong, but it is believed that majority of them would be transferred to peripheral regions.

3. As the financial resources deployed by C&ED in combating smuggling activities of endangered species (including wood logs) have been subsumed under the general operating expenditures, the estimated expenditure and manpower involved could hardly be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 5773)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security

Question:

Regarding the anti-narcotics work carried out by the Customs and Excise Department:

1. What are the reasons for the significant increase in the amount of dangerous drugs seized outside Hong Kong? How does the Administration cooperate with overseas agencies in this regard? What are the details, times and locations for such action? How much manpower and expenditure are involved?

2. The amounts of cocaine and ketamine seized in 2015 are all greater than those in 2014. What are the reasons and details? How does the Administration interpret the changes of these indicators and what action will the Administration take in response to them? What are the details and timetable for such action? How much manpower and expenditure are involved? and

3. The amount of poisons/antibiotics seized in Hong Kong in 2015 is greater than that in 2014. What are the reasons, details and seizure locations? How does the Administration interpret the changes of these indicators and what action will the Administration take in response to them? What are the details and timetable for such action? How much manpower and expenditure are involved?

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No.: 70)

Reply:

(1) The Customs and Excise Department (C&ED) has strived to reinforce the liaison and cooperation with Mainland and overseas law enforcement agencies for greater synergy and to tackle criminal activities at source. The work in this area has contributed to the significant increase in the amount of drugs seized outside Hong Kong.

(2) In 2015, in association with overseas law enforcement agencies, C&ED detected 3 large-scale drug trafficking cases in Hong Kong, which involved a total seizure of 96

kilograms of cocaine. In collaboration with Hongkong Post and the logistics industry, C&ED also intercepted 187 kilograms of ketamine smuggled through courier services. The above cases have contributed to a greater amount of such drugs seized over the previous year.

- (3) In 2015, C&ED detected 4 large-scale cases of breaching the Pharmacy and Poisons Ordinance at control points and in the territory, which involved a total seizure of 289 kilograms and 1.24 million pellets of pharmaceutical product. This has contributed to the significant increase in the relevant figures over the previous year.

C&ED will continue to strengthen the liaison with Mainland and overseas law enforcement agencies and proactively curb illegal activities involving different types of dangerous drugs, poisons and antibiotics. As the manpower and expenditure involved in the above work have been subsumed under the general operating expenditure, no breakdown could be provided.

- End -

CONTROLLING OFFICER'S REPLY

SB509

(Question Serial No. 3610)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please provide the figures on the arrests made by the Customs and Excise Department in enforcing the Import and Export Ordinance at various control points in the past 5 years. What was the estimated provision earmarked by the Department for enforcing the Ordinance in 2014-2015?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 98)

Reply:

In the past 5 years, a total of 14 683 persons were arrested by the Customs and Excise Department (C&ED) for contravention of the Import and Export Ordinance. The resources involved have been subsumed under the general operating expenditure. C&ED does not have the breakdown.

- End -

CONTROLLING OFFICER'S REPLY

SB510

(Question Serial No. 5889)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security/ Secretary for Financial Services and the Treasury/ Secretary for Commerce and Economic Development

Question:

Please list out in a table the amount of the following items seized by the Customs and Excise Department within Hong Kong and the number of persons involved in the past 5 years.

		Narcotics	Firearms	Strategic goods	Dutiable commodities	Infringement of copyright	Infringement of trade descriptions
2011	Amount						
	Number of persons involved						
2012	Amount						
	Number of persons involved						
2013	Amount						
	Number of persons involved						
2014	Amount						
	Number of persons involved						
2015	Amount						

	Number of persons involved						
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Asked by: Dr Hon KWOK Ka-ki (Member Question No. 99)

Reply:

Since the items seized are of various types involving different measurement units, the details of the cases detected by the Customs and Excise Department in the past 5 years are given below instead:

		Narcotics	Firearms	Strategic goods	Dutiable commodities	Infringing goods	Goods infringing trade descriptions
2011	Number of cases	447	19	14	19 799	323	647
	Number of persons arrested	416	11	2	9 670	436	543
2012	Number of cases	473	20	4	22 026	116	533
	Number of persons arrested	430	14	0	11 549	166	506
2013	Number of cases	516	28	2	18 675	99	752
	Number of persons arrested	439	20	0	11 712	143	663
2014	Number of cases	797	81	8	19 483	60	1 076
	Number of persons arrested	442	21	0	12 003	87	752
2015	Number of cases	758	68	34	17 236	118	1 090
	Number of persons arrested	365	12	0	10 716	158	903

- End -

CONTROLLING OFFICER'S REPLY

SB511

(Question Serial No. 5922)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

What were the number of staff deployed by the Customs and Excise Department and the actual expenditure involved in combating parallel traders in the past 5 years? Will the Department allocate additional resources to the fight against parallel trade activities in 2016-2017? If yes, what are the details and the estimated expenditure?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 133)

Reply:

In 2016-17, the Customs and Excise Department (C&ED) will continue its cooperation with Shenzhen Customs in combating parallel trade activities. The scope of cooperation includes monitoring hotspots of parallel trade activities in order to gather intelligence to facilitate interception and enforcement actions by officers at boundary control points and other law enforcement agencies. Since the resources involved in the above work have been subsumed under the general operating expenditure, C&ED does not have any breakdown.

- End -

CONTROLLING OFFICER'S REPLY

SB512

(Question Serial No. 5923)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security

Question:

In the past 5 years, how many cases relating to organised drugs syndicates and individual drug offenders were detected by the Customs and Excise Department? How many persons were arrested?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 134)

Reply:

In the past 5 years, the numbers of drug trafficking cases detected and persons arrested by the Customs and Excise Department were as follows:

	2011	2012	2013	2014	2015
Number of cases detected	185	214	231	275	249
Number of persons arrested	205	211	258	276	233

- End -

CONTROLLING OFFICER'S REPLY

SB513

(Question Serial No. 5924)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security

Question:

Please provide the number of drug manufacturing workshops and distribution centres cracked down by the Customs and Excise Department within Hong Kong in the past 5 years.

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 135)

Reply:

In the past 5 years, the numbers of drug manufacturing workshops and distribution centres cracked down by the Customs and Excise Department within Hong Kong were as follows:

	2011	2012	2013	2014	2015
Drug Manufacturing Workshops	-	-	1	-	1
Distribution Centres	11	3	10	11	24

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 5054)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in paragraph 148 of the 2015-16 Budget Speech that he had “asked all policy bureaux... to achieve more efficient use of resources through re-engineering and re-prioritising” and “launched the ‘0-1-1’ envelope savings programme to reduce operating expenditure by a total of two per cent over the next three financial years. Resources saved will be re-allocated for new services.” Please advise this Committee of the implementation of the “0-1-1” envelope savings programme by the Customs and Excise Department in 2015-16 and 2016-17, the services affected by the programme and details of the expenditure involved.

Asked by: Hon SIN Chung-kai (Member Question No. 29)

Reply:

The Customs and Excise Department (C&ED) has rationalised and streamlined the work of various formations through re-engineering and re-prioritisation in the years covered by the “0-1-1” envelope savings programme. Without compromising the quality of service, resources are utilised more effectively to maintain quality services to the public. Specifically, some separate units under different formations were merged, with logistical and backend work procedures co-ordinated. This has created synergy, achieved economy of scale and enhanced operational efficiency. Duties have been re-distributed such that the manpower resources saved can be redeployed to tasks of a higher priority.

Indeed, the estimate for C&ED for 2016-17 is higher than that for 2015-16 by 1.2%, reflecting that efficiency saving achieved through the “0-1-1” programme and new resources have been allocated to C&ED for delivering new/ improved services.

CONTROLLING OFFICER'S REPLY

SB515

(Question Serial No. 4012)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security/ Secretary for the Environment

Question:

In 2016-17, what are the work, manpower and estimated expenditure involved in the control, investigation and enforcement regarding endangered animals and plants?

Asked by: Hon James TO Kun-sun (Member Question No. 65)

Reply:

The Customs and Excise Department (C&ED) has conducted checks on passengers, cargoes, postal packets and conveyances based on the results of risk assessment and intelligence analysis in order to suppress illegal import to and export from Hong Kong of prohibited and controlled items (including endangered species). In 2016-17, C&ED will continue to maintain close collaboration with the Agriculture, Fisheries and Conservation Department and law enforcement agencies of other regions to strengthen intelligence exchange and conduct timely joint operations in a combined effort to combat smuggling of endangered species. As the financial resources involved in the above work have already been subsumed under the general operating expenditure, it would be difficult to separately quantify the expenditure and manpower involved.

- End -

CONTROLLING OFFICER'S REPLY

SB516

(Question Serial No. 4080)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Regarding the engagement of “outsourced workers”, please provide the following information:

Asked by: Hon WONG Kwok-hing (Member Question No. 58)

Reply:

	2015-16 (Position as at 31.12.2015)
Number of outsourced service contracts	16 (-11.1%)
Total payments to outsourced service providers	\$49,648,268 (-4.2%)
Duration of service of each outsourced service provider	8 months to 3 years (Not applicable)
Number of outsourced workers engaged through outsourced service providers	278 (0%)
Details of the positions held by outsourced workers (e.g. customer service, property management, security, cleansing, information technology, etc.)	Property management, security, cleansing and moving service
Monthly salary range of outsourced workers <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 to \$30,000 • 8,001 to \$16,000 • \$6,501 to \$8,000 • \$6,240 to \$6,500 • under \$6,240 	Outsourced service providers are required to undertake to pay the level of wage of non-technical employees by adopting a rate not lower than the statutory minimum wage and including one paid rest per week (whichever is higher).

	2015-16 (Position as at 31.12.2015)
Length of service of outsourced workers <ul style="list-style-type: none"> • over 15 years • 10 to 15 years • 5 to 10 years • 3 to 5 years • 1 to 3 years • under 1 year 	The contracts by which government departments procure outsourcing services do not set out the length of employment of the employees.
Percentage of outsourced workers against the total number of staff of C&ED	4.4% (-2.2%)
Percentage of payments to outsourced service providers against the total staff costs of C&ED	1.9% (-9.5%)
Number of workers who received severance payment/long service payment/contract gratuity	The contracts by which government departments procure outsourcing services do not require the outsourced service providers to provide the related information, but it is stipulated in the contracts that the outsourced service providers must pay severance/long service payment/contract gratuity to the workers concerned in accordance with the relevant Employment Ordinance.
Amount of severance payment/ long service payment/contract gratuity paid	-please see the above-
Number of workers with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to Mandatory Provident Fund (MPF)	- please see the above -
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	-please see the above-
Number of workers with paid meal break Number of employees without paid meal break	Outsourced service providers are required to undertake to pay the level of wage of non-technical employees by adopting a rate not lower than the statutory minimum wage and including one paid rest per week (whichever is higher), but there is no obligatory requirement of whether the meal breaks are remunerated.

	2015-16 (Position as at 31.12.2015)
Number of workers working 5 days per week Number of workers working 6 days per week	The contracts by which the government departments procure outsourcing services do not stipulate obligatorily the number of working days per week of the employees.

() denotes percentage of change compared with the same period in 2014-15

- End -

CONTROLLING OFFICER'S REPLY

SB517

(Question Serial No.: 4081)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security/ Secretary for Financial Services and the Treasury/ Secretary for Commerce and Economic Development

Question:

Regarding the engagement of “agency workers”, please provide the following information:

Asked by: Hon WONG Kwok-hing (Member Question No.: 59)

Reply:

The details of agency workers engaged by the Customs and Excise Department (C&ED) under T-contract (Note 1) are as follows:

	2015-16 (Position as at 31.12.2015)
Number of contracts with employment agencies	115 (+5.5%)
Contract sum paid to each employment agency	\$150,000 to \$25,574,000 (Not applicable)
Duration of service of each employment agency	2 to 12 months (Not applicable)
Number of agency workers	1 to 43 (Not applicable)
Details of the positions held by agency workers	Information technology support and system development
Monthly salary range of agency workers <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 to \$30,000 • \$8,001 to \$16,000 • \$6,501 to \$8,000 • \$6,240 to \$6,500 • under \$6,240 	A T-contract only stipulates charges involved in the provision of services by an agency, and does not include a more detailed breakdown.

Length of service of agency workers <ul style="list-style-type: none"> • over 15 years • 10 to 15 years • 5 to 10 years • 3 to 5 years • 1 to 3 years • under 1 year 	A T-contract only stipulates the length of services undertaken by an agency and does not stipulate obligatorily the length of services of the employees.
Percentage of agency workers against the total number of staff of C&ED	1.8% (0%)
Percentage of payments to employment agencies against total staff costs of C&ED	2.3% (+4.5%)
Number of workers who received severance payment/long service payment/contract gratuity	Since the agencies provide services under contract provisions, the severance payment/long service payment/contract gratuity depend on the terms of employment made between the agencies and their employees.
Amount of severance payment/ long service payment/contract gratuity paid	
Number of workers with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to Mandatory Provident Fund (MPF)	Since the agencies provide services under contract provisions, whether the severance payment/long service payment are offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF depend on the terms of employment made between the agencies and their employees.
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	
Number of workers with paid meal break Number of workers without paid meal break	Intermediary organisations are required to undertake to pay the minimum level of wage to the employees with reference to the data of related industries/occupations published by the Census and Statistics Department, but the contracts do not stipulate obligatorily whether the employees have remunerated meal breaks.
Number of workers working 5 days per week Number of workers working 6 days per week	Since intermediary organisations provide services under contract provisions, the number of working days per week depend on the terms of employment made between the agencies and their employees.

() denotes percentage of change compared with the same period in 2014-15

(Note 1) T-contracts refer to the term contracts centrally administered by the Office of the Government Chief Information Officer. Apart from T-contract, the Department did not engage employees provided by other agencies in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

SB518

(Question Serial No. 4082)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Regarding the engagement of “non-civil service contract (NCSC) staff”, please provide the following information:

Asked by: Hon WONG Kwok-hing (Member Question No. 60)

Reply:

The details of non-civil service contract (NCSC) staff engaged by the Customs and Excise Department (C&ED) are as follows:

	2015-16 (Position as at 31.12.2015)
Number of NCSC staff	113 (-4.24%)*
Details of the positions held by NCSC staff	8 Executive Assistants, 105 Customs Assistants
Payroll costs of NCSC staff	\$32.11 million (-9.0%)*
Monthly salary range of NCSC staff	
• \$30,001 or above	0
• \$16,001 to \$30,000	113 (-2.59%)*
• \$8,001 to \$16,000	0 (-100%)*
• \$6,501 to \$8,000	0
• \$6,240 to \$6,500	0
• below \$6,240	0
Length of service of NCSC staff	
• over 15 years	0
• 10 to 15 years	0
• 5 to 10 years	0

<ul style="list-style-type: none"> • 3 to 5 years • 1 to 3 years • under 1 year 	<p>3 (+200%)*</p> <p>93 (+5.68%)*</p> <p>17 (-41.38%)*</p>
Number of NCSC staff successfully appointed as civil servants	(Note 1)
Percentage of NCSC staff against the total number of staff of C&ED	1.83% (-3.68%)*
Percentage of staff costs for NCSC staff against the total staff costs of C&ED	1.2% (-21.1%)*
Number of NCSC staff who received severance payment/long service payment/contract gratuity	113 (-26.6%)*
Amount of severance payment/long service payment/contract gratuity paid	\$1.03 million (-35.8%)*
Number of NCSC staff with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to Mandatory Provident Fund (MPF)	0 (-)*
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	0 (-)*
Number of NCSC staff with paid meal break	113 (-4.24%)*
Number of NCSC staff without paid meal break	-
Number of NCSC staff working 5 days per week	8 (-27.27%)*
Number of NCSC staff adopting other working patterns (Note 2)	105 (-1.87%)*

** Percentage of change as compared with 2014-15*

Note 1 C&ED does not have the related information and NCSC staff are not required to declare such information to C&ED.

Note 2 The weekly working hours of Customs Assistant do not exceed 48 hours but they have to work on shift or irregular working hours in accordance with actual needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)251

(Question Serial No. 5774)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How would the Administration measure traders' compliance with the requirements on trade descriptions and trade practices through spot checks? What is the expenditure involved?
2. How would the Administration investigate complaints relating to short weights and measures, unsafe toys and children's products and consumer goods, false trade descriptions and unfair trade practices? What is the expenditure involved?
3. How would the Administration strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services? What is the expenditure involved?

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 71)

Reply:

1. & 2.

Apart from adopting risk-based and intelligence-led strategies, the Customs and Excise Department (C&ED) conducts blitz checks and test-buy operations from time to time, and carries out follow-up investigations based on complaints received from the public. C&ED also checks the accuracy of weighing and measuring equipment and tests various types of toys, children's products and consumer goods so as to protect consumer interests. Since the aforesaid duties are part of the general enforcement work of C&ED, it would be difficult to separately quantify the expenditure involved.

3. In 2016-17, 190 officers of C&ED will be deployed for carrying out the enforcement work under the amended Trade Descriptions Ordinance. The expenditure involved will be \$88.75 million. Apart from continuing to improve the three-pronged strategy of prevention, education and enforcement, C&ED will flexibly deploy resources, and focus on and inspect shops selling goods and services of relatively higher concern and traders under repeated complaints from consumers.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5775)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of prevention and detection of copyright and trade mark infringement, please advise on the following:

1. What were the numbers of infringing activities on the Internet detected; the products involved and their market values; the numbers of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years? Please list the above information by year; and
2. Regarding stepping up law enforcement and publicity education related to intellectual property rights (IPR), what will be the Administration's future work plans and timetables as well as the expenditures and manpower involved?

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 72)

Reply:

Details of the cases of infringing activities on the Internet detected by the Customs and Excise Department (C&ED) in the past 5 years are as follows:

	2011	2012	2013	2014	2015
Number of cases	65	64	162	184	200
Number of persons arrested	74	79	190	202	247
Total value of seizures (mostly clothing, watches and accessories)	\$1.17 million	\$1 million	\$2.48 million	\$2.47 million	\$3 million
Number of persons convicted (Note)	51	52	114	168	187

	2011	2012	2013	2014	2015
Amount of fines	\$200– \$20,000	\$500– \$20,000	\$500– \$20,000	\$500– \$60,000	\$50– \$20,000
Length of community service order	60–160 hours	80–160 hours	70–180 hours	60–160 hours	60–180 hours
Term of imprisonment	28 days– 8 months	14 days– 6 months	14 days– 6 months	7 days– 4 months	2 to 5 months

Note: Cases concluded during the year.

C&ED has been closely monitoring infringement of IPR on the Internet and the latest trend in electronic crimes, and has made timely review of the enforcement effectiveness. In the past few years, C&ED has redeployed internal resources to set up three dedicated “Anti-Internet Piracy Teams”; set up the “Electronic Crime Investigation Centre” to enhance the capabilities of frontline officers in investigation and evidence collection; developed three Lineament Monitoring Systems to better monitor and combat online IPR infringing activities, and in last year launched the new-generation automated system “SocNet” to help combat the selling of infringing articles through social media platforms. In 2016-17, C&ED does not have any plans to increase the expenditure for enforcement in this area, but will continue to combat infringement offences through flexible deployment of resources and manpower. The expenditure on system maintenance in 2016-17 will be approximately \$1 million.

C&ED enhances public awareness of IPR through various channels, including seminars and talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations and major chambers of commerce from time to time. C&ED will continue to organise publicity and education activities to raise the community’s awareness of IPR. As the expenditure involved has been subsumed within the department’s provisions, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)253

(Question Serial No. 5776)

Head: (31) Customs and Excise Department
Subhead (No. & title): (000) Operational expenses
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Roy TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of upgrading the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights, is it necessary to enhance and increase the existing technology and communication equipment? If yes, what are the expenditure and breakdown for each of the equipment?

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 73)

Reply:

The Customs and Excise Department (C&ED) has been closely monitoring infringement of intellectual property rights (IPR) on the Internet and the latest trend in electronic crimes, and has carried out timely review of the enforcement effectiveness. In the past few years, C&ED has redeployed internal resources to set up three dedicated "Anti-Internet Piracy Teams"; set up the "Electronic Crime Investigation Centre" to enhance the capabilities of frontline officers in investigation and evidence collection; and developed three Lineament Monitoring Systems to better monitor and combat online IPR infringing activities. Last year C&ED launched the new-generation automated system "SocNet" to help combat the selling of infringing articles through social media platforms. In 2016-17, C&ED does not have any plans to increase the expenditure for enforcement in this area, but will continue to combat infringement offences through flexible deployment of resources and manpower. The expenditure on system maintenance in 2016-17 will be approximately \$1 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)254

(Question Serial No. 6227)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the complaints on infringement of consumer rights, including those about suspected contravention of the Trade Descriptions Ordinance and the Weights and Measures Ordinance, would the Administration please advise this Committee:

(a) In the past 3 years, how many complaints were received by the Customs and Excise Department (C&ED) on infringement of consumer rights? Please provide a breakdown by year, nature of complaint and industries involved.

(b) In the past 3 years, how many enforcement actions were taken by C&ED based on the complaints on suspected infringement of consumer rights? How much manpower was deployed, and what were the numbers of persons arrested and prosecuted? Please provide a breakdown by industries involved in the prosecution cases and nature of offences.

(c) Will the Administration increase the manpower for combating acts of infringement of consumer rights in 2016-17? If yes, what are the ranks and numbers of additional staff? If no, what are the reasons?

(d) Does C&ED have any plan to launch public education programmes in 2016-17 to promote public awareness on the acts of infringement of consumer rights which are subject to follow-up action under the purview of C&ED, and on the preparation by the public before they lodge complaints so as enhance the effectiveness and efficiency of C&ED in handling the complaints? If yes, what are the work plans and estimated expenditure? If no, what are the reasons?

Asked by: Dr Hon Kenneth CHAN Ka-lok (Member Question No. 266)

Reply:

(a) & (b) The relevant figures and information about enforcement of consumer protection legislation by the Customs and Excise Department (C&ED) for the past 3 years are as follows:

		2013	2014	2015
Trade Descriptions Ordinance	Number of complaint cases	2 360	6 447	6 088
	Number of prosecution cases	57	74	112

		2013	2014	2015
	Number of conviction (company/individual)	58	76	126
	Enforcement manpower involved	147	187	190
	Example of offences involved	False trade descriptions and other unfair trade practices		
	Examples of industries involved	Ginseng products and dried seafood/Chinese medicines and drugs, electronic/electrical goods, health products, jewellery/ timepieces, food and beverage		
Weights and Measures Ordinance	Number of complaint cases	635	649	588
	Number of prosecution cases	150	59	42
	Number of conviction (company/individual)	157	62	46
	Enforcement manpower involved	21	21	21
	Examples of offences involved	Short weights and measures, using inaccurate weighing equipment for trade		
	Examples of industries involved	Traders in wet markets, retail shops, scrap traders		
Consumer Goods Safety Ordinance	Number of complaint cases	155	172	165
	Number of prosecution cases	2	7	12
	Number of conviction (company/individual)	2	7	13
	Enforcement manpower involved	19	19	19
	Examples of offences involved	Non-compliance with safety standards, absence of bilingual warnings		
	Examples of industries involved	Cosmetics stores, household goods chain stores		
Toys and Children's Products Safety Ordinance	Number of complaint cases	28	50	38
	Number of prosecution cases	9	9	5
	Number of conviction (company/individual)	9	9	5
	Enforcement manpower involved	16	16	16

		2013	2014	2015
	Examples of offences involved	Non-compliance with the statutory safety standards, amount of phthalates exceeding the statutory limits, absence of identification markings, safety labels and bilingual warnings		
	Examples of industries involved	Toy shops, children's product retailers, department stores		

(c) C&ED will review its enforcement strategies from time to time and flexibly deploy its internal manpower and resources in response to actual needs, so as to perform its duties.

(d) C&ED enhances and promotes public awareness of consumer protection through various channels, including seminars and talks organised in collaboration with the Consumer Council, industry associations and major chambers of commerce from time to time as well as other publicity and education activities. The expenditure involved has been subsumed within the department's provisions, which is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0547)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the expenditure, manpower provision and number of operations involved in preventing and detecting infringing articles and trade marks in 2015-16? How many of these involved online sale of infringing goods? What were the values of articles seized in the operations? How many cases were successfully prosecuted and what were the penalties imposed? Has there been an increasing trend of copyright and trade mark infringement in recent years, especially for online sale of infringing goods? Regarding the matters requiring special attention in 2016-17, the Customs and Excise Department will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What is the amount of financial provision involved? Is it necessary to increase manpower for conducting online surveillance? What is the expected effectiveness of the work?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 23)

Reply:

In 2015-16, there were 200 officers in the Customs and Excise Department (C&ED) who were specialized in preventing and detecting crimes of intellectual property rights (IPR) infringement, involving an expenditure on salary provision of \$80.23 million. In 2015, C&ED carried out 10 special operations every week on average. Details of the cases detected are as follows:

Number of cases (Internet crimes)	987 cases (200 cases)
Total value of articles seized (Internet crimes)	\$98.99 million (\$3 million)
Number of successful prosecutions (Internet crimes) ¹	489 cases (176 cases)
Penalties imposed by the Court	Fine: \$50 – \$50,000; Community service order : 40 – 240 hours; Imprisonment: 6 days – 8 months

Note: ¹ Concluded in 2015

As a result of continuous and vigorous enforcement actions, infringing activities in the local market have reduced significantly as compared with the situation in previous years, but online selling is shifting from auction sites to social media platforms. C&ED has been closely monitoring infringement of IPR on the Internet and the latest trend in electronic crimes, and has carried out timely review of the enforcement effectiveness. In the past few years, C&ED has redeployed internal resources to set up three dedicated “Anti-Internet Piracy Teams”; set up the “Electronic Crime Investigation Centre” to enhance the capabilities of frontline officers in investigation and evidence collection; and developed three Lineament Monitoring Systems to better monitor and combat online IPR infringing activities. Last year C&ED launched the new-generation automated system “SocNet” to help combat the selling of infringing articles through social media platforms. In 2016-17, C&ED does not have any plans to increase the expenditure for enforcement in this area, but will continue to combat infringement offences through flexible deployment of resources and manpower. The expenditure on system maintenance in 2016-17 will be approximately \$1 million. C&ED will continue to work with other enforcement agencies and intellectual property owners to combat infringement offences.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)256

(Question Serial No. 2785)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government plans to establish for the import and export trade a “single window”, which will connect with various government systems as well as trade information platforms run by the private sector, for “one-stop” lodging of all the 50-plus trade documents and submissions with Government for trade declaration and customs clearance purpose. Would the Administration inform this Committee:

(1) whether creation of posts is required to enhance the efficiency of processing trade documents for trade declaration and customs clearance upon the establishment of “single window”? If yes, what are the estimated number of total additional posts and expenditure involved?

(2) how much time in average is estimated to be saved in handling each clearance case upon the establishment of “single window” when compared with that in the past?

Asked by: Hon Regina IP LAU Suk-ye (Member Question No. 5)

Reply:

(1) The Government will set up a dedicated office for preparing the detailed design and implementation programme of the “single window”. A comprehensive review on the workflow and manpower support of relevant departments will be conducted before the “single window” is fully implemented. We are not in a position to contemplate any plans for creation or deletion of posts consequential upon the establishment of the “single window” at the current stage.

(2) The “single window” will facilitate trade in goods by providing a single platform for the one-stop lodging of all documents from the trade to the Government in relation to importing and exporting goods, thereby enhancing clearance efficiency and reducing traders’ operating cost. The estimated savings in this regard can only be ascertained upon the finalisation of detailed design of the “single window”, which will be prepared by the dedicated office.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)257

(Question Serial No. 5926)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past 5 years, how many cases relating to online selling of infringing goods were detected by the Customs and Excise Department? What were the values and types of the goods? How many persons were involved?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 137)

Reply:

Details of the cases of online selling of infringing goods detected by the Customs and Excise Department in the past 5 years are as follows:

	2011	2012	2013	2014	2015
Number of cases	65	64	162	184	200
Number of persons arrested	74	79	190	202	247
Total value of seizures (the goods involved were mostly clothing, watches and accessories)	\$1.17 million	\$1 million	\$2.48 million	\$2.47 million	\$3 million

CONTROLLING OFFICER'S REPLY

CEDB(CIT)258

(Question Serial No. 5927)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How many cases of intellectual property right (IPR) infringement were reported in each of the past 5 years? What were the numbers of cases with investigation completed in each of the past 5 years? What are the estimated number of staff and expenditure involved in the investigation of IPR infringement cases in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 139)

Reply:

In 2016-17, a total of 200 Customs officers will be deployed to the prevention and detection of intellectual property right infringement, involving an expenditure of \$80.23 million. The numbers of cases investigated by the Customs and Excise Department in the past 5 years are as follows:

	2011	2012	2013	2014	2015
Number of cases reported	1 460	1 399	1 625	1 954	1 892
Number of cases completed*	1 121	3 244	8 309	1 913	1 577

Note: * As some of the cases were reported in the past years, the number of cases completed may be larger than that received in the same year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)259

(Question Serial No. 5928)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimates of the Customs and Excise Department for upgrading its capability in the investigation of internet and electronic crimes relating to intellectual property right (IPR) infringement in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 140)

Reply:

The Customs and Excise Department (C&ED) has been closely monitoring infringement of IPR on the Internet and the latest trend in electronic crimes, and has carried out timely review of the enforcement effectiveness. In the past few years, C&ED has redeployed internal resources to set up three dedicated "Anti-Internet Piracy Teams"; set up the "Electronic Crime Investigation Centre" to enhance the capabilities of frontline officers in investigation and evidence collection; and developed three Lineament Monitoring Systems to better monitor and combat online IPR infringing activities. Last year C&ED launched the new-generation automated system "SocNet" to help combat the selling of infringing articles through social media platforms. In 2016-17, C&ED does not have any plans to increase the expenditure for enforcement in this area, but will continue to combat infringement offences through flexible deployment of resources and manpower. The expenditure on system maintenance in 2016-17 will be approximately \$1 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)260

(Question Serial No. 5929)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimates of the Customs and Excise Department for promoting public and traders' awareness of intellectual property right and consumer protection legislation through publicity programmes in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 141)

Reply:

The Customs and Excise Department enhances public awareness of intellectual property rights (IPR) and consumer protection through various channels, including seminars and talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations and major chambers of commerce from time to time. Moreover, publicity and education activities are also organised to raise the community's awareness of IPR and consumer protection. As the expenditure involved has been subsumed within the department's provisions, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)261

(Question Serial No. 5930)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the expenditures and numbers of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by the Customs and Excise Department (C&ED), the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2014, as well as the estimated expenditures and numbers of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, CEDB and other parties concerned in 2016-2017.

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 142)

Reply:

In 2014-15, 2015-16 and 2016-17, the manpower and expenditures involved in the enforcement of the amended Trade Descriptions Ordinance by the Customs and Excise Department are as follows:

Year	Enforcement Manpower	Expenditures Involved (\$ million)
2014-15	187	87.6
2015-16	190	95.1
2016-17	190	88.75

CONTROLLING OFFICER'S REPLY

CEDB(CIT)262

(Question Serial No. 5932)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past 5 years, what were the actual expenditures, numbers of staff and numbers of prosecution involved in the investigation of false statement of health products by the Customs and Excise Department? In 2016-2017, what will be the actual expenditure and number of staff involved in the investigation of false statement of health products by the Department?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 144)

Reply:

In the past 5 years, a total of 29 cases relating to false statement of health products were detected by the Customs and Excise Department (C&ED), with 22 companies and 8 persons prosecuted. In 2016-17, C&ED will deploy 190 officers to carry out the enforcement work under the amended Trade Descriptions Ordinance, involving a total expenditure of \$88.75 million, which cannot be broken down by category of goods.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2755)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Estimates for 2016-17, would the Administration please advise how much would be spent on each of the following areas of enforcement:

1. costing checks on goods covered by Certificates of Hong Kong Origin – CEPA (“CO(CEPA)”);
2. blitz checks on consignments subject to licensing control or covered by CO(CEPA) at entry and exit points and public cargo working areas;
3. consignment inspections to ensure compliance with legislation governing the import and export of strategic commodities and other licensable items by the public;
4. collection of import and export declaration charges and clothing levies under the respective legislation; and
5. verification and assessment of the values of import and export consignments to recover short-paid import and export declaration charges and clothing levies.

Asked by: Hon Andrew LEUNG Kwan-yuen (Member Question No. 2)

Reply:

(1) and (2) Currently, there are 20 C&ED officers responsible for monitoring consignment inspections on the goods covered by Certificates of Hong Kong Origin – Closer Economic Partnership Arrangement. Their duties include conducting costing checks to ensure compliance with the requirements under “value-added content” origin rule as well as blitz checks at entry and exit points and public cargo working areas. The expenditure involved will be \$8.52 million. Since these officers also take up other trade controls duties at the same time, the expenditure involved in the above work could not be quantified separately.

(3) Currently, there are 21 C&ED officers responsible for the enforcement duties of the import and export control of strategic commodities and other licensable items. The expenditure involved will be \$8.66 million. Since these officers also take up other trade controls duties at the same time, the expenditure involved in the above work could not be quantified separately.

(4) Currently, there are 33 C&ED officers responsible for collecting “declaration charges” and “Clothing Industry Training Levy”. The expenditure involved will be \$13.18 million.

(5) Currently, there are 16 C&ED officers responsible for verifying and assessing the values of import and export consignments as well as recovering short-paid “declaration charges” and “Clothing Industry Training Levy”. The expenditure involved will be \$5.23 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)264

(Question Serial No. 2648)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 2 years and the coming year, what are the respective amounts and manpower resources involved in combating false trade descriptions and unfair trade practices in respect of both goods and services by the Customs and Excise Department (C&ED)?

2. Please list the respective number, broken down by year, of spot checks conducted, relevant complaints received, investigations conducted into suspected contraventions, and cases of prosecutions initiated/written undertakings accepted from the traders who pledged to stop their unfair trade practices by C&ED since the full implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 in July 2013.

Asked by: Dr Hon Elizabeth QUAT (Member Question No. 43)

Reply:

1. In 2014/15, 2015/16 and 2016/17, the manpower and expenditure involved in the enforcement of the amended Trade Descriptions Ordinance ("the Ordinance") by the Customs and Excise Department (C&ED) are as follows:

Year	Manpower involved	Expenditure involved (\$ million)
2014/15	187	87.60
2015/16	190	95.10
2016/17	190	88.75

2. Statistics on C&ED's enforcement of the amended Ordinance are as follows:

	2013 (from 19 July)	2014	2015	2016 (up to 29 February)	Total
No. of spot checks	2 163	4 052	4 128	888	11 231
No. of complaints received	2 051	6 447	6 088	944	15 530

No. of complaints with investigations launched	622	3 105	3 832	665	8 224
No. of self-initiated investigations	23	91	40	1	155
No. of prosecution cases	9	74	112	8	203
No. of cases with written undertakings accepted	1	5 (<i>Note</i>)	4	0	10

(*Note*) – Written undertakings were received from 2 traders in one of the cases.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3445)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Director of Audit's Report No. 65 that the Census and Statistics Department (C&SD) compiled the statistics on domestic-export recyclables based on the information contained in trade declaration forms submitted by exporters to the Customs and Excise Department (C&ED). As all recyclables that had been processed in Hong Kong for export had been classified as "domestic exports" for trade declaration purposes, the quantities of domestic-export recyclables comprised both locally-generated and import quantities. The quantities of municipal solid waste (MSW) recovered (and MSW generated) were thus over-estimated. Please advise this Committee what measures would be adopted by C&ED to solve the problem and the expenditure involved.

Asked by: Hon WU Chi-wai (Member Question No. 111)

Reply:

The Customs and Excise Department (C&ED) has taken the following measures to enhance the accuracy of the import and export recyclable statistics:

a) C&ED and the Census and Statistics Department (C&SD) have issued additional guidelines on trade declarations since April 2014 to facilitate declarants' understanding and compliance with export declaration requirements for recyclable plastic materials.

b) From April 2014 to February 2016, C&ED, C&SD and the Environmental Protection Department (EPD) jointly conducted 7 thematic workshops for recyclable-plastics recyclers on "How to Complete and Lodge Import/Export Declarations", and provided guidelines to them for completion of the trade declarations, including "Origin Country", "Goods Descriptions" and "Hong Kong Harmonized System (HKHS) Commodity Codes" as well as to ensure declarants to fully understand the definitions for "domestic export" and "re-export".

c) In 2016, C&ED will continue to collaborate with C&SD and EPD in organising thematic workshops for traders and recyclers in each quarter. Apart from recyclable plastics, future workshops will extend to cover recyclable papers and metals.

d) C&ED will continue to work with C&SD to strengthen the verification of the information on export declarations by randomly selecting trade declarants of domestic export of recyclable plastics and requiring them to provide supplementary information on the declared recyclable plastics, including whether the recyclable plastics are recovered locally or processed from imported recyclable materials and type of processing in Hong Kong. C&ED will investigate all cases of suspected contravention referred by C&SD.

e) C&ED will initiate prosecution against any person who knowingly or recklessly lodges any declaration that is inaccurate in any material particular.

C&ED handles the above work through existing manpower. The expenditure involved has been included in the overall estimate of the Department and could not be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)266

(Question Serial No. 1451)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work to improve clearance services to facilitate efficient cargo flow across the boundary, please advise this Committee on the following:

1. The latest update on the promotion of the Road Cargo System and the number of registered system users broken down by account type;
2. The latest progress of testing for the harmonisation of Hong Kong Intermodal Transshipment Facilitation Scheme (ITFS) and the Mainland's Cross-boundary Express Clearance System (CECS), and when such arrangements will be implemented to achieve seamless cross-boundary clearance with the Mainland;
3. The latest progress of the implementation of the Hong Kong Authorized Economic Operator (AEO) Programme, the number of participating companies and the current situation of signing mutual recognition arrangements (MRAs) with overseas countries/cities; and
4. The details and estimates in respect of the work to facilitate cargo flow across the boundary in 2016-17 and whether new measures will be introduced.

Asked by: Hon Frankie YICK Chi-ming (Member Question No. 28)

Reply:

1. The Road Cargo System (ROCARS) has been operating smoothly since its full implementation. The Customs and Excise Department (C&ED) has been liaising with industry users to ensure the provision of efficient and reliable services for the trading and logistics industries. As at the end of February 2016, a total of 31 936 users were registered for the system, including 8 548 shippers, 3 662 shippers-cum-freight forwarders, 2 066 freight forwarders and 17 660 truck drivers.

2. Hong Kong Customs and the Guangdong Customs have agreed to officially launch the Single E-lock Scheme on 28 March 2016. By connecting the Hong Kong Intermodal Transshipment Facilitation Scheme and the Mainland's Cross-boundary Express Clearance System, the Scheme will build a green logistics corridor between Hong Kong and Guangdong, which helps simplify clearance formalities and speed up cargo transshipment for trade facilitation.

3. At present, 29 companies have been accredited as Authorised Economic Operators (AEO). The mutual recognition arrangements (MRA) that Hong Kong has signed with the Mainland, India, Korea, Singapore and Thailand respectively are becoming operational, and the 6th MRA was signed with Malaysia on 17 March 2016. Besides, Hong Kong is also set to enter into an MRA with Japan in 2016. In the future, the Department will endeavour to negotiate similar arrangements with other major trading partners as well as economies along the Belt and Road.

4. C&ED will continue to upgrade the functions of ROCARS to provide stable and reliable services for shippers and truck drivers. Upon the full implementation of the Single E-lock Scheme, C&ED will continue to further expedite the development of the Scheme and explore more diversified measures to facilitate customs clearance with the Mainland Customs. Furthermore, C&ED will strengthen facilitation measures for enabling traders to enjoy tariff reductions for trade in goods between the Mainland and trading partners concerned when transhipped through Hong Kong. This will in turn reinforce Hong Kong's advantage as a logistics hub in the region. As these duties are part of the overall work of C&ED, it is hard to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0728)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Estimates that the Customs and Excise Department (C&ED) will “strengthen enforcement actions against illicit cigarettes activities, especially in respect of cross-boundary smuggling and telephone-order peddling”.

Please advise:

1. What was the respective sales volume of cigarettes in Hong Kong in the past five years?
2. What was the respective amount of illicit cigarettes seized in the past five years? What was the total value?

Asked by: Hon CHAN Kam-lam (Member Question No. 24)

Reply:

1. The Customs and Excise Department does not maintain any sales data on tobacco products. The amount of duty-paid cigarettes in Hong Kong in the past five years is as follows:

	2011	2012	2013	2014	2015
Duty-paid cigarettes (million sticks)	2 877	2 914	3 135	3 149	3 270

2. In the past five years, the amount of illicit cigarettes seized from local illegal activities and their total values is as follows:

	2011	2012	2013	2014	2015
Amount of illicit cigarettes seized from local illegal activities (million sticks)	71	67	79	52	52
Total Value (million dollars)	170	160	190	130	140

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)007

(Question Serial No. 0435)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The amount of cigarettes seized by the Customs and Excise Department in anti-illicit-cigarette enforcement in 2015 increased significantly by more than 20 million sticks over 2014. In this regard, would the Administration advise this Committee of any plans to combat more effectively offences relating to illicit cigarettes, especially the activities of cross-boundary smuggling and telephone-order peddling?

Asked by: Hon Dennis KWOK (Member Question No. 14)

Reply:

The volume of illicit cigarettes seized by the Customs and Excise Department (C&ED) in 2015 exceeded that in 2014 by 20 million sticks. The increase was mainly due to two major transshipment smuggling cases detected in 2015 through intelligence exchange with overseas enforcement agencies. If the seizures in these two major cases are excluded, the volume of illicit cigarettes seized by C&ED in 2015 would be on par with that in 2014.

C&ED will continue to combat cross-boundary smuggling of illicit cigarettes at source. In respect of telephone-order peddling, dedicated teams have been established to combat illicit cigarette peddling activities. C&ED will also enhance the programme of "Joint Effort with Community against Illicit Cigarettes" and strengthen co-operation with community partners including telecommunications operators, estate management offices and front-line staff with a view to widening the intelligence network.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)008

(Question Serial No. 1448)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2016-17, the Customs and Excise Department would strengthen co-operation with the Mainland Customs in combating cross-boundary smuggling of illicit fuel. In respect of the relevant work, what are the resources involved in achieving outcomes in 2015-16 and taking forward the work plans in 2016-17?

Asked by: Hon Frankie YICK Chi-ming (Member Question No. 25)

Reply:

The Customs and Excise Department (C&ED) has all along been maintaining intelligence exchange with the Mainland Customs to intercept illicit fuel activities at source. In 2015, C&ED detected a total of 32 small-scale cases involving cross-boundary smuggling of illicit fuel. In 2016-17, C&ED will continue to enhance cooperation with the Mainland Customs, monitor the trend and changes of cross-boundary smuggling of illicit fuel activities, and redeploy internal resources to tackle the problem where necessary.

In 2016-17, there will be an establishment of 23 posts dedicated to anti-illicit-fuel enforcement, involving an expenditure of \$8.77 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)009

(Question Serial No. 1449)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the assessment of the provisional taxable value of imported vehicles, please advise this Committee of the number of cases that fail to complete assessment within five working days upon receipt of applications as well as their corresponding percentages among all applications in the past three years (2013, 2014 and 2015). Please provide a breakdown of reasons for failing to complete assessment within five working days upon receipt of applications. Did the Customs and Excise Department (C&ED) allocate additional resources for the related work in the past three years? If yes, what are the details? If no, will C&ED consider allocating additional resources to expedite the assessment of the provisional taxable value of vehicles?

Asked by: Hon Frankie YICK Chi-ming (Member Question No. 26)

Reply:

In the past three years (2013, 2014 and 2015), all applications for assessment of the provisional taxable value of imported vehicles received by the Customs and Excise Department (C&ED) were completed within five working days upon receipt of all necessary documents and information.

The Motor Vehicles Valuation Group of C&ED has expanded its establishment from 14 officers in 2013 to 26 officers to date. They are responsible for, inter alia, running the registration system of motor vehicle importers/distributors, conducting assessment of the provisional taxable value of imported vehicles, as well as making inspection of imported vehicles to verify the information declared.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)010

(Question Serial No. 1450)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the cases of re-assessment of provisional taxable value on imported vehicles, please advise this Committee of the number of such cases filed by the agents of motor vehicle traders and parallel importers respectively, as well as the percentage of approved applications with provisional taxable values adjusted against the total number of re-assessed cases. What will be the resources involved in the related work in 2016-17?

Asked by: Hon YICK Chi-ming, Frankie (Member Question No. 27)

Reply:

According to the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330), all motor vehicle distributors (including agents or parallel importers) shall submit the suggested Published Retail Price (PRP) to the Customs and Excise Department (C&ED) seven days prior to the sale of motor vehicles for approval and calculation of the provisional taxable value. When there is a need to change the accessories of the motor vehicles involved or to alter the PRP approved by C&ED due to changes in market conditions or promotion strategies, distributors may apply to C&ED for re-assessment of provisional taxable value. However, C&ED does not keep separate statistics on the distributors applying for re-assessment of the provisional taxable value.

The Motor Vehicles Valuation Group of C&ED currently has an establishment of 26 officers, who are responsible for, inter alia, running the registration system of motor vehicle importers/distributors, conducting assessment of the provisional taxable value of imported vehicles, as well as making inspection of imported vehicles to verify the information declared.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)011

(Question Serial No. 0225)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government please provide:

- 1) details on establishment of staff responsible for combating smuggling and distribution of illicit cigarettes, including the staff's rank, number and salary point;
- 2) the number of reports received on illicit cigarettes and the quantity of illicit cigarettes seized in the past three years;
- 3) prosecution information for the past three years in the following table.

	Number of cases		
	2013	2014	2015
Penalties on convicted persons			
Not Convicted			
Community service order			
Fines of \$5,000 or less			
Fines ranging from \$5,001 to \$10,000			
Fines ranging from \$10,001 to \$50,000			
Fines over \$50,000			
Imprisonment for 6 months or less, subject to suspension			
Imprisonment for over 6 months, subject to suspension			
Imprisonment for less than 30 days			
Imprisonment for 30 to 89 days			
Imprisonment for 90 to 179 days			
Imprisonment for 180 days to 1 year			
Imprisonment for over 1 year			
Other penalties			

Asked by: Hon Jeffrey LAM Kin-fung (Member Question No. 7)

Reply:

1. The Customs and Excise Department (C&ED) has an establishment of 61 officers dedicated to combating illicit cigarette activities. Their rank, number and salary point are as follows:

Rank	Assistant Superintendent	Senior Inspector	Inspector	Chief Customs Officer	Senior Customs Officer	Customs Officer
Number	1	4	6	2	9	39
Pay scale	General Disciplined Services (Officer) Pay Scale			General Disciplined Services (Rank and File) Pay Scale		
Salary point	27-32	22-26	5-21	24-29	15-24	2-14

2. The number of reports received on illicit cigarette activities and the quantity of illicit cigarettes seized from local illegal activities in the past three years are as follows:

	2013	2014	2015
Number of reports received on illicit cigarette activities	1 967	1 657	1 835
Quantity of illicit cigarettes seized from local illegal activities (million sticks)	79	52	52

3. Information on prosecution against illicit cigarette activities for the past three years is as follows:

	Number of cases		
	2013	2014	2015
Not convicted	27	38	37
Penalties on convicted persons			
Community service order	11	27	26
Fines of \$5,000 or less	1 422	1 814	1 570
Fines ranging from \$5,001 to \$10,000	132	132	80
Fines ranging from \$10,001 to \$50,000	96	70	69
Fines over \$50,000	0	1	1
Imprisonment for 6 months or less, subject to suspension	172	236	256
Imprisonment for over 6 months, subject to suspension	2	2	3
Imprisonment for less than 30 days	216	401	432
Imprisonment for 30 to 89 days	196	179	130
Imprisonment for 90 to 179 days	89	75	70
Imprisonment for 180 days to 1 year	79	52	40
Imprisonment for over 1 year	0	7	1
Other penalties	45	41	52

Note: The figures in the above table include all cases under Programmes (1) and (4).

For any case which involves more than one category of the above penalties (say, the person is fined and sentenced to imprisonment at the same time), such case is counted once under each relevant category.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)081

(Question Serial No. 5888)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the number of officers to be deployed by the Customs and Excise Department at various control points to intercept dutiable goods and the estimated provision involved in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 97)

Reply:

In 2016-17, the expenditure for the work under Programme (1) Control and Enforcement by the Customs and Excise Department (C&ED) is estimated to be about \$2,541.8 million, involving 4 649 posts. Since interception of dutiable goods at control points in Hong Kong is part of the overall work of C&ED, it would be difficult for C&ED to separately quantify the number of officers and the breakdown of expenditure involved.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)082

(Question Serial No. 5920)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What were the actual amount of illicit cigarettes seized by the Customs and Excise Department (C&ED) at various control points, the number of staff and the actual expenditure involved in the past five years? What will be the number of staff to be deployed for combating illicit cigarette activities by C&ED and the actual expenditure in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 131)

Reply:

The amount of illicit cigarettes seized by the Customs and Excise Department (C&ED) at various control points in the past five years is as follows -

	2011	2012	2013	2014	2015
Amount of illicit cigarettes (million sticks)	24.7	33.1	47.2	38.3	38.4

Since interception of illicit cigarettes at control points is part of the overall work of C&ED, it would be difficult to separately quantify the number of officers and the expenditure involved.

Apart from intercepting illicit cigarettes at control points to crack down on these activities at source, C&ED will also keep up its efforts to combat the storage, distribution and peddling (including telephone ordering) of illicit cigarette. In 2016-17, C&ED will continue to deploy 61 officers to combat illicit cigarette activities on these fronts, involving an expenditure of approximately \$22.27 million.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)083

(Question Serial No. 5951)

Head: (31) Customs and Excise Department

Subhead: ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What were the respective number of cases of selling illicit cigarettes through telephone ordering detected, amount of illicit cigarettes seized and number of persons arrested by the Customs and Excise Department (C&ED) in the past five years? What are the estimated provision and the number of staff deployed for combating telephone ordering of illicit cigarettes by C&ED in 2016-2017?

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 169)

Reply:

Details of the cases of telephone ordering of illicit cigarettes detected by C&ED in the past five years are as follows:

	2011	2012	2013	2014	2015
Number of cases	40	134	195	318	452
Amount of illicit cigarettes seized (million sticks)	0.21	3.4	2	3	1.4
Number of persons arrested	42	167	225	329	465

In 2016-17, C&ED will dedicate a total of 26 officers to take targeted actions against telephone ordering of illicit cigarettes. The expenditure involved is approximately \$9.5 million.

CONTROLLING OFFICER'S REPLY**FSTB(FS)138****(Question Serial No.: 5425)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

As a frontline enforcement agency, the Customs and Excise Department performs the regulatory functions of Money Service Operators (MSOs) under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance by licensing and supervising MSOs as well as taking enforcement action against Unlicensed Money Service Operators. Will the Government inform this Committee of the numbers of cases of suspected money laundering/terrorist financing and persons prosecuted for these offences in the past 3 years?

Asked by: Hon CHAN Chi-chuen (Member Question No.: 184)Reply:

The numbers of cases involving money laundering/terrorist financing (*Note 1*) detected by the Customs and Excise Department (C&ED) and persons prosecuted for these offences in the past three years were as follows:

	2013	2014	2015
Number of cases	1	2	3
Number of persons prosecuted (<i>Note 2</i>)	0	0	13

(*Note 1*) – They were all money laundering cases

(*Note 2*) – The figure denotes the number of persons successfully prosecuted by C&ED in that year. The persons prosecuted were not necessarily involved in cases detected in the same year.

CONTROLLING OFFICER'S REPLY

FSTB(FS)139

(Question Serial No. 5925)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not Specified

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the number of money laundering cases detected by the Customs and Excise Department and the number of persons involved in the past 5 years.

Asked by: Dr Hon KWOK Ka-ki (Member Question No. 136)

Reply:

The number of money laundering cases detected by the Customs and Excise Department and the number of persons involved in the past five years were as follows:

	2011	2012	2013	2014	2015
No. of cases	2	2	1	2	3
No. of persons involved	1	25	6	5	7

- End -

CONTROLLING OFFICER'S REPLY

FHB(FE)187

(Question Serial No. 1971)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Roy TANG)

Director of Bureau: Secretary for Food and Health

Question:

There was a decrease in the amount of administrative penalties imposed by the Customs and Excise Department in relation to import and export declarations in 2015 as compared to 2014. Please inform this Committee of the following:

a. The number of cases in which a fine was imposed for contravention of the Import and Export (General) (Amendment) Regulation 2013 (commonly known as the “export control on powdered formula”) broken down by month in 2015 as well as the total amount of fines involved;

b. Regarding the cases in which a fine was imposed, how many of them ended up in default of fine payment in 2015? What was the total amount of fines in default?

c. Regarding the cases of fines in default, which types of document of identity (e.g. Hong Kong Permanent Identity Card, multiple-entry endorsements, etc.) did the defendants hold?

d. Normally, how does the Government handle cases of default of fine payment? What is the expenditure involved?

Asked by: Hon FAN Kwok-wai, Gary (Member Question No. 4)

Reply:

a) In 2015, there were 3 973 cases in which a fine was imposed by the Court for contravening the Import and Export (General) (Amendment) Regulation 2013 and the total amount of fines involved was \$16.41 million. Details are as follows:

Month Imposed	Number of Cases	Amount of Fines
January	360	\$1,768,900
February	284	\$1,337,600
March	309	\$1,398,100

April	279	\$1,254,100
May	327	\$1,393,000
June	389	\$1,662,300
July	465	\$1,809,000
August	372	\$1,509,700
September	312	\$1,199,100
October	216	\$816,000
November	313	\$1,074,600
December	347	\$1,190,100
Whole Year	3 973	\$16,412,500

b) & c) The Judiciary does not have the relevant breakdown figures.

d) A magistrate may issue a summons or a warrant of arrest to any person who fails to pay a fine. However, it is difficult to separately quantify the expenditure for handling such cases.

- End -